Prosperity of England

midst the

Clamors of Ruin,

by a Merchant of London.

S A Winzer

1799.

Printed for the Author and sold in three languages at the principal Booksellers of Great Britain and on the Continent.

Presentation

To the Lords of the Committee of Council appointed by His Majesty, for the Consideration *of all Matters relating to Trade* and Foreign Plantations.

My Lords!

The Subject-Matter of this Publication, being *politically-commercial*, the Result of several Years Experience and Observation of a Professor in Commerce -- on

which Science the „*Prosperity of England*" chiefly depends; I deem unnecessary all farther Apology for the Liberty I take -- in presenting my humble Reflexions to Your *Lordships's* paternal and guardian attention.

I have the honor to subscribe most respectfully

Your Lordships's

moſt obedient and humble Servant
F. A. Winzer.

Dedication

To the Gentlemen Volunteers of the British Realm in general, and to the Light Horse Volunteers of the Cities of London and Weſtminster in particular.

Gentlemen!

United as ye are by a spirit of TRUE PATRIOTISM, and pledged with your honor, life and fortune, in support of your King's and Country's Cause — the most honorable task man can poſsibly impose on himself, I am not a little proud of being claſsed amongst your respectable Ranks.

Your honorable Corps of Light Horse Volunteers was first formed during the ri ots of Lord George Gordon, for the protection and security of the inhabitants

of the cities of London and Westminster, and it signalized itself much to its honor. A long adjournment from service took place, untill the breaking out of the French revolution, when a spirit for revolutions was attempted to be propagated within our prosperous and peaceable Realms; then did several of the former members meet, unite again, and to their zeal, spirit and patriotism, is due the immortal honor of having planted an Arbor of defence which has taken deep root, and now happily overshades the three Kingdoms. With alacrity did I inroll myself and was admitted to the N. 145. It was with the utmost regret, I found, through de vilainy of agents and travellers in Germany, that my Commercial concerns required my personal attendance on the Continent, where unavoidable occurences in Judiciary proceedings together with losing great Property in

Holland by the French, prolongedmy involuntary absence. In the midst of these my personal troubles I strove to aſsist in remedying the dreadful scarcity apprehended in my Country. I travelled to Hungary for the sole purpose of providing the London Market with Corn, for which I had obtained from his Imperial Majesty the exclusive permiſsion for 50000 Quarters; — but before the first purchase could be shipped I fell a resigned sacrifice by the happy fall of the London prices. When on the point of returning to England I had the great misfortune of breaking a leg by a tripple fracture, that confined me to my bed upwards of nine months, during which time my life was often despaired of. Finally on my way to England I had again the mortification on my arrival at Hamburg Nov. 1797 to be detained by the dangerous illneſs of a beloved Wife,

whom it has now after 13 M. severe illneſs pleased the Lord to take, leaving me and an only surviving infant to bemoan her.

Thus have I for above three years been prevented from attending my duty under the banners of your Honorable Corps. I have in the interim however endeavoured to exercise my pen in defence of our Country and Constitution. Persuaded as I am that the great maſs of books and pamphlets circulated at home, and abroad in favor of Revolutionary principles, tend greatly to contaminate the Public against all regular goverments in Europe, and that of Great Britain in particular, I employed my leisure time in attempting to refute the most material calumnies contained therein, viz, those levelled against British Finance, Trade, and Navigation.

For the general information of all Europe I resolved to publish my observations in the English, French and German lan-

guages: I now offer them to my Countrymen, to encrease the public Contributions for the defence of our invaluable Constitution and Government. The principal part of my labors, viz, the Prosperity of England with Mercantile Tables shewing the real balance of trade and the riches of the nation, I take the liberty to recommend to your respectable Corps, which being in a great measure composed of the first mercantile men in the World, are the most proper to judge of their merit. At any rate I trust they will meet with your united support and commendation, were it only for the negative merit to encrease the means of defence against our irracible enemies, the most cruel and implacable Europe and Great Britain ever had to struggle with; and who by their writings to excite the public mind have done more mischief, than they could ever have done by force of arms.

After numberless severe afflictions, domestic and commercial, I shall now return cheerfully a mongst you, with little else, but a heart to feel, — a mind to conceive, — and a hand to execute. Thus, my life, pen and sword, — shall ever remain devoted to my King and Country.

With the flattering hope of your liberal afsistance in the mode of my present service I conclude with earnest wishes that we may all of us triumph, or fall together in the defence and support of our King, Constitution, Religion, Laws, Government and Families.

I am with respect

Gentlemen

Your most obedient and humble
Servant.

F. A. W.

Preface.

The great number of Books and Pamphlets now in circulation in Great Britain, and on the Continent zealously propogated by the enemies of the English Government, some of which having been repeatedly quoted in public conversation as an irrefragable proof of our approaching Ruin and Destruction, by a National Bankruptry, have induced me from motives of pure Patriotism, to present to my beloved Countrymen the result of my observations and to publish the whole in the English, French and German Languages. During my travels on the Continent, I have had frequent opportunities to witnefs how far, even men the most renowned for their good sense and understanding had been deluded, in regard to the affairs of Old England, and chiefly from the many fugitive Publications above alluded to, which seem to be the Echo to the English Opposition News papers and some lamentable Speeches in Parliament, considered abroad as oracles of truth, and as unquestionable as the mandate of an Absolute

Prince on the Continent. Nor is this indeed to be wondered at, since, fe whave a proper idea, that it is only in the English Parliament, where an unlimitted freedom of speech is allowed, and where the human paſsions are agitated by enthusiasm, by patriotism, by ambition, by disappointment; these instigated by a spirit of opposition to the measures of Government whether *good* or *bad*, declare themselves in many forcible high sounding expreſsions, which altho' poured forth in a strain of inconceivable eloquence, often prove so many flashes in the Pan. Very few know or recollect, that about a century ago, the like lamentations — of approaching ruin and inevitable destruction, — have been in fashion since that period; more especially from the epoch of the Reign of King William, when the English National debt was first funded. If we examine all the speeches against this subject since that time, we must suppose ourselves to have been galopping towards our ruin one hundred years! It was never my intention of entering the lists with the numerous Authors of the day; but being a Mercantile man, and seeing so many perverse writings, which delude, puzzle and perplex the Public Mind in a matter of such magnitude viz the English National Debt, Credit, Navigation and Commerce, I could not refrain from taking up the pen, in the good cause of my King, Country and Constitution, and which I regret has not been undertaken by a more able hand. — I flatter myself however, that

my labors and informations will not be unacceptable to the World. I have the satisfaction to believe that the detractions against the Credit and good Faith of England *in representing the whole Country on the very brink of Ruin and Bankruptcy*, are fully refuted. Of these detractors the French *Emiſsaries* and the Pamphlets of a *Lauderdale*, a *Morgan* and the *would be wise T. Paine* etc. have been the foremost to throw the fire brand of alarm. It was then I determined to resist with my feeble efforts such incongruous and evil intentioned calumnies on my Country, in a short eſsay on the „Prosperity of Old England," which from the immensity of the Subject, the nature and variety of the objects would require Volumes in Folio to discuſs them.

The present edition contains only the out lines — the foundation stone of a Vast edifice, which I should be happy to see erected by a more skilful architect, — to the honor, glory and integrity of Great Britain. From my present information and experience I am conscious, that many things have been rather *under* than *over* rated in my Estimate Tables; but the aggregate cannot amount to only a very few Millions either way. My chief design is to lay before my Countrymen and the World at large real facts, whereby they may judge of our *fears*, of our *hopes*, and of our *imminent danger*, respecting the National Prosperity or the approaching Diſsolution of Old England!

I am sensible, that there are many Mercantile men in this Country who poſseſs a greater fund of knowledge and experience in those matters than I do, but I am convinced that very few will take the trouble to read all the hideous calumnies published by our enemies; much leſs will they publicly vindicate them. To these Englishmen, I beg to remark, that a drug or vegetable may heal a wound of the body, but in the whole *Materia Medica*, there is not a single Specific to solace, the sores of the mind inflicted by the numerous publications of the day, against what is termed English Monopoly of Trade, and Tyranny on the Seas; which are maliciously or ignorantly represented to impede the Welfare of all other trading nations,—who are called upon in those works to avenge their wrongs on their supposed English Tyrants! In undertaking to defend my Country and National honor, I am not instigated by any spirit of self sufficiency, more than that of being serviceable: my motives in all other respects are pure and disinterested. I am sensible of the disadvantage, I labour under in entering the Lists with the writers against British Policy, Finance, Commerce and Navigation; some of them are persons of the first literary consequence, and whose names I intend to give in the second part of this work.

Could the Public but conceive the circumſtances, the impreſsions, the domestic calamities and hurry in which this work has been composed, it would be

deemed a sufficient apology for the inaccuracies contained therein; the errors of the Prefs are many, owing to the Printers total unacquaintance with the English language.

I hope shortly to present my indulgent readers with the second Part more correct, in which will be *First*, a continuation of the illustrations contained in the first Part. *Secondly*, the value of Gold and Silver estimated according to their encreasing quantities in proportion to the value of merchandise, together with their relative influence on Politics and the wealth of Nations. *Thirdly*, calculations of the profits of Great Britain during the last century on all foreign Exchanges *above Par*, founded on the real balance of British Trade and Navigation. *Fourthly*, Statistic tables of all the Countries of Europe, their Land and Sea forces, resources, trade and navigation, manufactures, national-debts and revenues; their increase or decrease of public prosperity etc. etc. at the close of the Eighteenth century, in comparison with with those of England. *Fifthly*, a concise review of the different Governments, Politics and Constitutions in Europe, with the neceſsary illustrations of their *most apparent* defects and virtues, which have contributed to their rise and fall, in the scale of nations.

Lastly, a general Summarary of the whole, with the result of all the arguments applied in the Work, to prove that the British Nation has been, and now remains the most *prosperous* of all Nations ancient and modern.

„ *Old-England on the Brink of Ruin! — its Fi-*
„ *nances and Liberties destroyed, — Conſtitution*
„ *violated, — Manufacture annihilated, — Trade*
„ *and Navigation at a ſtand, — the Bank, the East*
„ *India and other Public Companies inſolvent! —*
„ *Merchants and Bankers embarraſſed, — Public*
„ *Credit and Confidence ruined, — the Parliament*
„ *ſold, — the People enſlaved, — their Property*
„ *ſeized, — Law and juſtice corrupted! — In ſhort,*
„ *Old-England is declared on the very brink of*
„ *deſtruction and that nothing can ſave it but a ra-*
„ *dical reform — or a topſy turvy revolution.“ —*

Such, and numberleſs other Jeremiah Lamentations have been echoed within the walls of Parliament, ever ſince the ſham revolution of England, as ſome furious democrates call it. They have been re-echoed by the trumpets of Oppoſition and reverberated from pole to pole.

A very perverse notion respecting British trade is moreover industriously propogated all over the world, by the advocates of French liberty, which proceeds either from wilful misrepresentation or grofs ignorance.

Most Merchants trading to England are better informed by experience; but Sovereigns, Statesmen, Politicians, Philofophers, with a thousand thinking men not concerned in trade nor acquainted with the manyfold interests, and the policy which actuates and guides the various speculations of a great Commercial nation, — I say such men, may be misled, and imposed upon by noisy declamation, and thereby imbibe principles and notions as untrue as they are prejudicial.

The notion I allude to, is propogated by a number of publications, and even in conversations, all declaiming against, and reprobating English Monopoly; but most of its assailants know nothing more than, that little England alone carries on about two thirds of the whole commerce of the world, which from of ignorance or malice they call unjust monopoly.

They wish if possible to ruin British commerce, by insidious attemps to set nations against it, in representing the „great tyranny of Englishmen by „annually imposing upon other nations unjust con„tributions under the mask of friendship, alliance and „protection.“ How vague — how falacious such

reasonings are, and what effect they might have on the extenſive, fair trade of Great Britain, I will leave my readers to decide.

However as I am deſirous to inform, — to undeceive the too credulous, I will endeavour in as clear a point of view as poſsible, to lay before them convincing proofs of the error they have been led into.

The Political existence and Commercial conſequence of Great Britain, are as kindred, as twin Sisters; in the description of which it will he impoſsible to steer clear of Politics, as every treaty with foreign nations must have for basis the two strong pillars of Great Britain-viz Trade and Navigation.

Commerce in general, more especially that of England, is a science above all others in which practice differs from theory, nearly as the excentric course of comets, deviates from the motion of the primary planets. Nevertheleſs as the time, appearance, magnitude, and revolutioary direction, of most of those luminary bodies, may be predicted by Astronomy, — so may also the intricate flux and reflux of the commercial Intereſt of Nations be traced by long experience and ſeientific knowledge.

During the latter part of the present century, many Powers of Europe have discovered the great truth that the Oeconomical and Political Interests of Nations, can only derive their support, increaſe, and gradual perfection, from their commercial advantages with which they are so minutely interwoven.

Since British liberty and sense banished that foolish pride and prejudice of rank and distinction among men, from Old-England, which still keeps some nations in the clouds of superstition, the tender nervers of commerce began to grow into mature sinews of strength and vigor.

The charms of Britannia have since become so conspicuous, — so powerfully attractive, as to raise the envy and admiration of the whole world. Peter, the Great, Selfruler of all the Ruſsias, was one of the first to pay his court to her; for, after having acquired the first principles of Shipbuilding at Sardam in Holland, he came to perfect himself in that art, and in the sciences of Navigation and Commerce at Debtford. He sent home a number of utenſils and tools; and through the complaisance of King William several artificers were permitted to be sent to Ruſsia, — whom he followed with a rich, practical fund of arts and knowlege in the sciences, navigation and commerce. These he planted in his own uncultivated country, — which soon yielded abundance of improvement.

By his unremitting, persevering and universal genius he laid a solid foundation, for his succeſſors, to raise the first Empire in the world. Had his co-temporaries Louis XIV, Philip of Spain, and Charles XII. of Sweden shewn the same ardor for the advancement of commerce and civilisation, and evinced leſs a spirit for bloodshed and aggrandizement of

empire, they would have made a much greater progreſs in National wealth, than the uncivilized Ruſsians.

Frederic the Great, the Salomon of the North, and the next admirer of Britannia, — enticed several English artizans, manufacturers of all sorts into his dominions, — advandced them capitals to establish them in buſineſs, and like a true sleeping* Partner, honorably shared the respective profits. Joseph II. became also enamoured with Britannia; — being a young enterprizing Prince, he might in time have become a more dangerous suitor, had not grim-faced death called him from the great stage of the world.

Mr. Smith in his Wealth of Nations is very ingenious in his principles of Theory; but how far theory often differs from the result of practice, is obvious to every man of understanding and experience. Had Mr. Smith combined mercantile practice with his theoretic principles, he would have frequently found the oppoſite result from his speculative rules.

In all arts and sciences, theory can only premise certain rules, and pre-establish causes to a supposed variety of effects; but it is from real experience of the infinite variety of those effects and their various applications, that theory can be established on any solid basis; and even in this case, it will still be subject to many exceptions arising from fresh combinations in practice.

* An Expression, among people of business for a Non-acting Partner.

I wish not to retract from the great merit of Mr. S. — esteemed as an author in all Europe, where his writings have been translated, but I do differ widely in opinion from him, as to certain principles.

The first of which is, —

„That every State creditor, by lending his money to Government, puts it into a Nonproductive State, by which so much capital is lost the Country.“

If I understand Mr. S. right, he establishes as the chief principle for National Wealth,

that the same capital should be, and remain in a continual state of Production, either in agriculture, manufactures or commerce. —

Thus far I perfectly agree with him; but by his subsequent reasonings, Mr. S. wants to apply every capital to agriculture and manufactures alone, as the two First Resources of every country; — yet his ideas of commerce do not seem to extent much farther, than to follow the corn of the Landholder to the first market and first consumer; — and the stuffs of the manufacturer to the wholesale merchant, who either exports them abroad, or sells them to shop-keepers for home consumption.

The immence produce of our foreign colonies, and the carrying trade, seem not to have engaged Mr. Smith's attention equally to the magnitude and variety of the subject. This must be excused in Mr. S.; for however learned, ingenious, and for the greater part just, as to theory, — he was not a merchant, — or he

could not have established the following erroneous principle - viz.

„That every sum of Money in a Non-„productive state, viz Stocks, was so much „loſs to the Country or to the Nation at „large."

Now my dear countrymen let us first follow up and trace the various sums annually spent by Government in the British Sea - service, and then estimate their productive effets, as to their real value to the Nation. — The Board of Ordinance, Victualling Office, Pay Office, etc. are the chief channels through which these sums must flow in order to engage, clothe, feed and support numberleſs useful hands, — to purchase, provide and maintain a quantity of stores, ammnuitions etc.

For, it is not the number of our brave tars alone, that costs and consume this money; but the great number of working men, and families who are employed, must also be nourished thereby, viz. all those employed in the numerous different offices, dockyards, warfs, store - houses etc.; all thoſe neceſsary and useful trades, such as shipwrights, carpenters, victuallers, brewers, distillers, butchers, bakers, smiths, cordwainers, slopsellers, sail - and rope - makers, iron, braſs, and cannon founders, gun - stockmakers, gunsmiths, gunpowder mills, — lead and shot manufacturers, linen, cloth and stuff weavers etc. — Pitch, tar, flax, hemp, iron, lead, copper, and timber

merchants, grocers, drugists, chymists, apothecaries etc. Are not all those trades, — those consumers the support of thousands of other hands, and do they not maintain the greater part of our manufacturies by a continual certain consumption of raw materials and manufactured goods? Are they not some of the chief encouragers, and supporters of our coaal lead, tin and copper mines ? ? ?

The other branches of public expenditure have nearly the same channels of consumption and re-production; and the more profuse they are, the more productive they must be in forming individual capitals — which constitute the Wealth of the Nation.

Some materials it is true we must fetch from foreign nations, such as hemp, flax, timber, pitch, tar and iron, but we do not pay for them in cash; we give the produce of our colonies and manufactures in return, which common sense tells us they would not, or could not admit, — but in a very small degree, if we did not take their raw materials from them.

It is thus that England commands the markets for the produce of its colonies and manufactures, by creating the necessity for them in America, Russia, Sweden, Norway etc. Their natural productions (which England as a maritime Power absolutely wants) are paid for with the luxuries of the British dominions in the East and West Indies and the produce of our home manufacturies. Luxuries they may be called in those countries which could do very well without them, as

there are a number of coarser and consequently cheaper manufactures for the bare neceſsaries of life on the Continent. But England taking and consuming their natural produce or raw materials, affords them these luxuries and conveniences of life, which from custom, at least two thirds of the inhabitans consider as real wants.

Thus by neceſsity they are become involuntary instruments in paying to England a considerable balance of trade annually, and thereby enriching its inhabitants, even without intention, wish or desire. — Spain, France, and Portugal, find no better or surer markets, for their wines, brandies and several raw materials, than in great Britain and Ireland, — which creates the neceſsity of their taking in return either our manufactures or colonial productions or both together, the same as Holland, Germany, Denmark, Turkey etc. — all of which have been made to pay the tribute of commerce to old England. — And by what means? By the favourable treaties of commerce which the superiority of our trade and manufactures, but above all the formidable and respectable state of our forces abroad and at home, had a right to prescribe and to dictate. — All European as well as Indian Powers have ever been desirous and proud of the alliance and good will of the British nation. And why? Becauſe its superior policy in trade and commerce, the liberty and security of the inhabitants and property, the formidable protection Government is always enabled to bestow, must very naturally procure itself a confidence

and credit in the world, much higher, than the most powerful nation on Earth ever enjoyed before.

Although Frederic the Great, universally known as the best Financier, General, and Oeconomist, left near, one hundred and fifty millions of dollars, or about twenty five millions sterling in his coffers, without one shilling of National debt, or incumbrance on his dominions; yet did he, or the commercial part of his subjects, which he privileged, aſsisted, and protected on all occaſions, ever enjoy the tenth part of the public credit England enjoyed, tho at the very same time universally known to be incumbered with a National debt of near Two hundred Millions Sterling, or one thousand two hundred millions of Rix dollars? It is well known that the great Frederic himself, astonished at this enormous Debt and at the still greater Credit it procured, predicted the speedy downfall of the English nation and of its commerce; nay he was at one period so firmly persuaded of it, that he ordered secret advice letters to be written to the chief merchants in his dominions, warning them not to sell their goods to, or to take any bills on England.

This fact has been confidentially aſsured me in Berlin by one of the chief members of the Board of Trade, under Frederic the Great.

Now I beg my countrymen to answer this question and explain the phenomenon, why such a powerful, oeconomical, wise and rich king as Frederic

the Great undoubtedly was, could not with the immense costs and pains he endeavoured to draw merchants and manufacturers from all parts, — advancing them sums of money, and granting them particular privileges, — that he could not I say, raise the credit of the Prusian nation to a tenth part of what England enjoyed, when already encumbered with such an enormous debt, — which was predicted in numberless pamphlets of respectable and experienced men to be its speedy ruin.

Here it may be said, „that Prusia was not a trading Nation, nor had any local situation proper for a maritime commerce." To which I answer, that Prusia had a better local situation in the ports of Embden, Konigsberg and Elbing, than Antwerp or even Amsterdam, — and far superior means to both these capital trading towns, in their beginning.

What can than be the chief reason? *

Becaus the King was immensely rich, and the Nation immensely poor, having the chief capital of the country lockt up in a Nonproductive state, by which means it became not only unprofitable but even burdensome, in as much as, — that every unproductive capital kept from circulation must cause a real los to the Nation.

* Absolute Monarchy, could not be the chief cause; for, the Prussian code of laws established by the King himself on the first principles of equity and reason, is held sacred!

Had Frederic the Great blefsed his country with a Constitution and Government similar to that of England, and adopted the same commercial policy in circulating his revenues among his industrious subjects, and employed by way of Loans, the gainings of his own as well as of foreign nations, in the establishment of a maritime commerce and home manufacturies; — I say had he done so, there is no doubt, but his Flag would have been more extended and respected than those of Sweden, Denmark, Holland, or Antwerp of old; and that even without any Naval force, but merely from the great influence he actually enjoyed in the Balance of Europe; — and also from the great superiority of commanding at all times extensive continental markets. In the commercial history of England we do not find that it became really superior to France, Spain or Holland, before it followed the example of the old Italian commercial States and those of Holland, viz, — in creating a National debt or a funding system, — which was however adopted in England on far superior and more solid principles than it had been any where before; because the Principal was chiefly employed in extending our commerce and colonies, — in raising and keeping a respectable force for their protection, — which procured to us the most favorable treaties of commerce, for the continual increase of our trade and manufactures. By these means the greatest part of the individuals of the nation became immen-

sely rich, and the Government immensely poor, — the very reverse of what I have just before represented the Prusian nation to be. Here the question may soon be decided. Which is the happiest, the most powerful and respectable country of the two? — even supposing their constitution and situation be the same, — a rich King or Government and poor inhabitants, — or a poor indebted Sovereign and wealthy subjects?

The latter government, though ever so prudent and oeconimical cannot last, for in the succeſsion, all the heaped up treasures may be squandered away to the loſs of the nation: For instance on mistreſses and favorites; on foreign opera dancers and ſingers; — by impolitic and unsucceſsful wars; bad treaties and worse negociations; and a hundred other instances, which may tempt the one or the few at the head of the Government, to spend in one year all the oppreſsive scramblings during the long Reign of their miserly predeceſsors. Thus when the sovereign and the subjects, or the government and the nation are poor together, — it is poverty indeed! — and poor insignificant they must remain among other nations.

But where the inhabitants of a country are wealthy like the English, they find twenty resources to one, in navigation and commerce, — in their manufactures, treaties, negociations, loans, taxes, and extra contributions, — to repair the poverty of Government. Thus they are enabled to support its

Credit by a punctual payment of the interest on the sums borrowed, and by a gradual discharge of the principal itself; and though the capital be ever so great; by prudence, the means will always continue in proportion to the sums circulated among them.

I repeat that it can only succeed in a country where the spirit of industry, agriculture, manufacture, commerce, navigation, arts and sciences, independence and enterprise, — go hand in hand together, so as to surpaſs all other countries in every one of those national virtues. France our great rival nation, poſseſsed heretofore most of those advantages, except the spirit of independence, of industry and of enterprise; but they were not directed by aproper commercial policy; — how different it may be after its licentious independence and fanatic spirit of conquest has subsided, time will shew. Spain and Portugal in addition to the deficiencies of France wanted the spirit of manufactures and agriculture; — also the aid of the liberal arts and sciences.

Sweden and Denmark poſseſsed agriculture, but very little manufactures, commerce and navigation; and they wanted more or leſs real independence, arts and sciences, enterprise and Policy of Trade. Ruſsia, Austria, Pruſsia and Turkey wanted all those requisite national virtues.

In order therefore to establish all reasonings of this subject, on a plain and solid basis, I shall take the liberty to premise some incontrover-

tible maxims in trade and busineſs in general, — of which I beg the kind reader to take particular notice, as the most infallible guides of the mind, on every perplexing or doubtful proposition.

General-Maxims in Commerce.

What Aristotle the Preceptor of Alexander the Great, said of the Arts, may be with the equal propriety applied to the various Trades and Profeſsions; viz „there is so great a similitude and regular proportion „between them, that they all seem to go hand in „hand together," — which was beautifully represented under the allegorical figures of Apollo dancing with the Nine Muses. —

Maxim 1st.

All productive materials in the world, cannot have any real utility or value, but in proportion to their use and consumption. —

Hence we may build elegant houses, palaces churches, ships, waterworks, — plant parks, pleasure gardens etc. and if we do not find a proportionate number of rich inhabitans to buy, live in, and enjoy them, not only the labor, but also the capital is lost. — It is precisely the same thing with all

movable property, such as the produce of our colonies and home manufactures. —

Maxim 2nd.

All property of any intrinsic value, and every capital of gold and silver coin, being locked up, or kept from *circulation*, must be a real loſs to the Proprietor individually, or to the Country in general, unleſs placed in a Deposit Bank.

This is the case not only with every capital kept for safety in strong boxes, and of which the proprietor enjoys neither premium nor interest, but it applies even to the neceſsaries of life. For instance, the fruitful country of Hungary so little known in England, produces agreeable to the calculation of Count Charles Bathiany (whose Family occupies the first Dignities there,) near ninety millions measures * of corn annually, and the whole consumption of the same country never exceeded twenty five millions measures which is scarcely the fourth part of its produce. Thus, of the natural productions of the first neceſsaries of life to the amount of twenty two million quarters, not quite six millions are consumed in the country, the rest are chiefly lost to the nation, whenever the exportation abroad is

* Four and a quarter measures is about one quarter English.

is prohibited, which happens frequently, because the laws of Hungary are different from those of the other Hereditary dominions of the Emperor. The wines as well as the grain of Hungary pay a considerable duty in the rest of the Austrian States.

Joseph the II. took all posſible pains to remedy this evil, and to introduce the Austrian laws there, granting the same privileges with the Austrian inhabitants, on condition that they should pay equal taxes; but by the obstinacy and perversenes of most of the Hungarian Magnats or chief Nobles, the well intended plans of Joseph were frustrated, because he was often unfortunate in the choice of the persons to execute them. The fact is, that in any preſsing war of the Empire as — in the reign the celebrated of Maria Theresia, — of Francis the II. — and of his present Imperial Majesty, — the States of Hungary pay by extraordinary requisition almost tenfold the amount of the ordinary taxes and contributions of the other Hereditary States of the Emperor, which they rather chuse to submit to, than suffer the smallest innovation of what they call their ancient laws and privileges; though it be in the highest degree detrimental to the civilisation and commerce of that fertile country.

I have enlarged on this subject to shew, what a fruitful country may lose by the bad policy of its laws and government. It happens frequently that the peasants of Hungary must leave their corn to rot in the fields, for want of house-room and markets to

sell it; — whereas if there were proper canals * to Trieste and Fiume, they might provide all the nations bordering on the Mediterranean with corn; Poland, Ruſsia, Austria and Bohemia with wines and

* In the year 1796 there was a privileged navigation society established in Vienna to raise two millions florins by loan, for to dig four capital canals through Hungary, — to repair the navigation on the adjoining rivers, — and to establish between Brood, only five and a half German miles from the Adriatic Gulph, commercial channels to the three Seaport towns, Fiume, Buccari and Porto Ré. — The subscriptions amounted to 10,000 florins each, aud the subscribers, besides 5 pCt. interest and the return of capital in 12 years, had a sure advantage of 25 to 30 pCt. in the reduction of freight-having for each fl. 1000 — the right of 25 Ton (20 pCt. heavier than English weight) freightage from the confines of Turkey to the Adriatic Sea. Notwithstanding such astonishing benefits, there were but few commercial men interested; — and one of the first promoters, Count Theodore Bathiany, brother to the late Primas proposed to me to collect subscriptions in England. The work it is true has been begun, but when I left Vienna in autumn 1797. I hard that the canal society were at law with the contractors, who refused to proceed, having laid out great part of the money to other purposes. This plainly shews how backward the real spirit of commerce, is still in the Austrian, and Hungarian countries.

spirits; — and most of their raw materials cattle and timber, metals and minerals, would find their way all over Europe. They might even supply England with several articles drawn from Turkey, Spain and France.

The treasures which Frederic the Great kept lockt up, might under his sagacious direction — had he understood commerce as well as he did the use of arms — have done wonders on the Continent, by a prudent circulation among the commercial and other subjects of his dominions; but through his over-oeconomial confinement of such enormous sums, the nation lost full as much in their earnings.

The truth of this will be established in the illustration of the following example. — Every Banker in London has a certain number of merchants and tradesmen who deposite their cash in his hands, for safety and conveniency of payment. Now suppose one Banking-house keeps the cash of five hunderd such customers, which on an average leave always 200 L. in his hands, tho' some merchants make it a rule never to leave lefs than 1000 L., others 500 L. and others again 100 L. or perchance lefs. — We will however take the average sum at 200 L. for each, that lies undisposed off, and constitutes a capital of 100,000 L. sterling, which the Banker may rely on for his own daily use and speculation. But were this Banker like Frederic the Great, to keep this sum under lock and key, how could he pay house-rent, taxes, clerks,

runners, porters, books, paper, stamps, pens, ink etc. Would not all the labors of his Bank be a losing capital, — and he be obliged to feed upon his own property the same as a labouring man who is compelled to sell or pawn his tools to supply his daily wants? All the difference between the King and the Banker is, that the one was not responsible for the employment of so many Talents, before a Worldly Tribunal; but the other certainly is liable to be drawn upon every day, which obliges him to make the best posible and the most profitable use of the sums entrusted to his care, in order to keep himself in a state of Responsibility, whenever he may be called upon to give an account of his stewardship.

Let us now briefly examine to what profitable use a Banker must apply those sums of money deposited with him, to anwer the purpose of his busines. If no better interest offers, he contents himself with discounting the bills of his customers, and of the public at large at 4 or 5 p. cent, — accepting the bills of his corresponding Banking-houses, and other country customers; but in cases of public or private Loans, where a good interest, or premium is to be obtained; or when the public funds afford an opportimity of profitable purchases or sales — in all such, and other occasions, he contrives to make a profitable use of the public money, by a prudent commercial-circulation.

The same policy is applicable to every Government, — with this material and salutary difference, that the individuals, thus depositing their capitals into the hands of Government are the chief gainers, — by obtaining a security, a premium and a perpetual interest, — whereas Government itself is getting poorer every day, — while the inhabitants become more wealthy.

Not only the lenders of these capitals gain, but thousands of hands are employed, and mouths fed, by the political circulation of those sums, which are continually forming new capitals for fresh circulation. Thus the effects are all the same like unto the heat of the sun, which draws and collects the moisture of the Earth, and the waters of the Seas to mix and distil with the vapours of the air, — which then fall in copious showers over the parched countries, to circulate, increase and multiply in a million different directions for the benefit of mankind.

Maxim 3nd.

Every capital of intrinsic vulue is capable of being represented — and generally must be represented for the extent and convenience of trade.

Any capital or intrinsic property is capable of being represented and generally is — represented by the books of a Depoſit-Bank, like those of

Amsterdam, Hamburg, and Venice, — where payments are made only by transfer from one account to another, without moving a single farthing; by the books of the public funds and great trading companies; by bills of exchange, bonds, notes of hand, or by any other instrument promising payment.

Capital or property *must be represented* by bills of exchange founded on invoices, on bills of lading, on balances of accounts, between distant trading places, which can have no other mode for the transfer of payment.

Maxim 4th.

If any capital or property be really capable of being represented, it is also as capable of being turned into double, triple or even greater advantage, — arising from the method of representation.

As I never recollect to have seen or heard mention made of the principle of this maxim, I shall be the more particular in the illustration of it, to prove that it really does exist as much in practice as in theory.

Here I must reverse the principle of Mr. Smith in his wealth of nations, when speaking of the national debt he aſserts —

That every capital lent to government is a real loſs to the country —

whilst he admits that any public creditor might on the strength of his stock make use of his capital, by borrowing to the extent of its value: — But then he adds „The capital or value thus borrowed on „the credit of his stock, must have existed in the na- „tion before, and that it is only taken from its pro- „ducing capital." Mr. Smith is very exact in his theory here, but real practice in busineſs goes so far beyond this theoretical principle as entirely to reverse the point he meant establish-viz, „so much loſs to „the producing capital of the nation as is put „into the public funds." — This might in some degree be the case if the whole capital of the country, could possibly be thrown into and be kept, in *productive circulation*, which never was, nor ever will be possible. It is exceedingly difficult if not impoſsible even for the wisest man on Earth, to throw the whole capital of a country (supposing he had all the power to do so) into productive circulation in every point of direction. This would be as sophistical reasoning, as to aſsert that every public trading company or merchant, must employ every hundred pounds of capital to so many percent profit, and never trade with a losing account, — which is impossible.

Now let us revert to my first maxim of trade-viz „All productive materials cannot have any real „utility or value but in proportion to their use „or consumption."

If this maxim be true as above shewn, the following example, must have the same validity. A gentleman farmer has a mind to lay out all his capital in the manuring his lands, to make a good harvest; but the harvest all over the country proves so abundant in general as to oblige him to sell his corn at the lowest market prices, by which he may lose half of the capital spent for labor and manure; and which I believe is not unfrequently the case. He may also lose by long rains, droughts, frosts, mildews, insects, tempests etc. against which accidents no insurance can possibly provide, or make good the loſses. The same misfortunes may happen to a grazier, or a forestaller, who besides the chance of losing by too great an abundance, always risks every epidemical disorder among cattle. A manufacturer of any kind, may so overstock the market with his produce, as to lose even on the prices he paid for productive labor, and the loſs of capital become the more material, whenever those commodities are sent abroad on speculation, where the markets already are, or may become overstocked, either by too great competion or by a decline in the demands for them. A merchant is liable to the same disaster. Even artists and authors — can not always escape losing accounts, especially if they have not much variety or novelty in their productions. These examples may suffice to shew that the capital of a nation, employed in the most useful and productive labors, may often prove very

detrimental to its own existence and like the pelican feed on its own vitals, untill it consumes itself for the use of others. Now supposing all the British inhabitants were farmers and graziers, who would at last buy and consume all the corn and cattle of the country? The first must perish in the fields, — and the latter run wild in the woods as is the case in the remote parts of Hungary. Again if all the people were manufacturers and tradesmen, where would they find markets to exchange and sell their produce with profit? It is the due proportion in all employments and productive labors, that can maintain a proper and avantageous equilibrium in the grand State machine, and encrease the wealth of the nation.

If England had no standing armies nor large fleets to provide, feed, clothe, and maintain, or distant colonies to support, what would become of a great part of our corn, cattle and most of the manufactures, in which all our productive labor is employed? And what would he the receipts of great Britain in the scale of Europe, for the increase and protection of its commerce? Without trade, all our productive labor, would indeed be labor in vain.

Having shewn that a capital may be often lost to the country in the employment of productive labor, I shall next proceed to prove, that a capital kept from productive labor and placed in the public funds, is not a loſs to the

country, as Mr. Smith aſserts; but on the contrary may be represeted; and by the method of representation may be turned to the same, or even greater advantage, than if employed in productive labor. This I shall illustrate by the following example.

Suppose a man of busineſs, whether farmer, grazier, manufacturer or tradesman, — artist or merchant, is known to have ten thousand pounds in the public funds; and only two thousand in his busineſs: can, or must he deal only to the extent of his two thousand pounds; or may he trade up to the amount of twelve thousand pounds, his whole property?

I answer, he may trade not, only to the amount of his whole property; but even to ten times that amount, — provided his plans are digested with great prudence and fore-sigt. The farmer known to poſseſs this capital in the funds may buy lands, or rent an estate without laying down any cash, except for the immediate stock of corn, for sowing; cattle for tilling, and hands for laboring; all of which he may amply defray out of two thousand pounds. He may contract for lands to the amount of, — from ten to twenty thousand pounds, payable by yearly instalments (for, credit will certainly not be refused him under such circunstances,) of one thousand pound more or leſs; and he may so manage as to pay off those instalments without touching his funded property

at all. For if he is want, he may borrow in kind to repay in kind at a certain time. Land — worth 20,000 L., will with proper industry and good management, yield an annual profit from 2000 to 3000 L. viz from 10 to 15 p. Cent. Suppose it yielded anly 1500 or 1000 L., — the farmer eating his own corn and killing his own cattle, will not spend above two or three hundred pounds for labor etc. throughout the year. He may be both, farmer and grazier at once, — buy and sell cattle to any amount and if he be a man of judgment, with a good profit too; — and even it may happen that he does not pay for them untill they be resold. In short the confidence and credit he would command by the notoriety of his poſseſsing ten thousand pounds stock will procure him in his line even ten times that sum; and would enable him to clear his land or estate in twelve or fifteen years time. Or on the other hand, he might mortgage them to the seller, and pay interest untill he had saved the capital by prudent oeconomy. And I am confident this is frequently done without poſseſsing any funded property at all; but still more easy it must he for a proprietor of stock, to farm land, or rent estates, the hire of which he seldom pays before his produce can be sold. —

A manufacturer of any kind, proprietor of 10,000 L. stock, will always be able if he chooses to purchase his raw materials on the customary credit from 3, to 12 months, according to the article, and

the quantity he wants; — and the London wholesale houses will be very glad to serve a man of known solidity on his own terms, — to get a good customer in their line of busineſs. I wish to be generally understood to speak of people, clever in their busineſs and honorable in their principles; — in which case many industrious men, without any property, has worked himself into great credit and fortune; — which happens in England frequently, and especially in London — where we find so many ways and means to get an honest and respectable livelihood, — at least if people chuse to be attentive, and if they poſseſs real knowledge in their trades and profeſsions.

But a manufacturer of such a property, will find no difficulty in raising a credit of ten times that sum if he should want it in the way of his trade; and his two thousand pounds cash will always pay his workmen, machinery and livelihood untill he brings his produce to market.

It is true, a manufacturer is again obliged to sell often on long credit; but he may by accommodation with his customers, draw bills on account of the sums be credited them; which bills may in case of neceſsity he renewed, untill the given credit is expired. In this manner the manufacturer generally makes his payments for his raw materials, viz, by bills representing capital; — and very good payment it may be deemed, although not one shilling cash is

taken away from the productive capital of the nation. Merchants, especially those called general agents for houses abroad, have still a greater facility of extending their credit, from their being obliged to deal in a great variety of articles, which have no connexion together; — thus the same credit which others confine to one or a few branches of trade is enjoyed by them in every particular line. If they chuse to extend their credit in all the different branches, they have it in their power to raise, perhaps a credit of, from 20, to 50 times, beyond their real property; for, it is by no means uncommon in trade that a man worth twelve thousand pounds, the greater part of which he keeps in the public funds, will trade to the extent of, — half a million year.

His public stock is a sort of public Notoriety to give fame to his credit; an the busy Dame wings it often to the most distant parts of the country, and to the Continent; or even beyond Europe. And who in common life but knows, that a man's property, income, or earnings, are generally much overrated! — but this is one of those exagerations of Lady Fame which tends towords a general good, viz the raising and augmenting the public credit of individuals, as much as of nations!

I am confident and every man of busineſs and experience, will confirm my opinion, that the trifling example above quoted, of a man in any line, having ten thousand pounds more or leſs in the funds, has

produced more good effects on the national credit, than at first that sight may appear to superficial observers.

Supposing that instead of one thousand, there are twenty thousand persons in business, who keep on an average 10,000 L. each in the stocks; this in the whole makes only 2,000,000 L. capital; which sum in comparison to all the stock holders and to the bulk of stock, is but a mite in the scale.

Yet from the notoriety in common life we find a thousand tongues for each of those twenty thousand stockholders, which establish at home as well as abroad a proportional credit, from ten to twenty millions L. sterling — or more if required. It often happens, that the credit of a rich individual finds no bounds; and reputation needs only stamp a man with a plum, — when he will find millions at his disposal. —

This astonishing progression of credit, is however greatly accelerated in the world, according as a nation is known to be independant, wealtly, wise, and industrious. In the present critical situation of the country and of public credit, which has lately been, so much pelted at, and still continues to be squib'd from all quarters, if Mr. Pitt were now to open a fresh loan for one hundred millions sterling on terms a little more favorable than the last loan of eigtheen millions, — I question whether it might not be filled almost as speedily, as before — when no doubt, a hundred millions would have reen raised,

had the books continued open for that purpose. But as British inhabitant having the wellfare of the country at heart I would not advise Mr. Pitt to try it, — from my conviction, that the funding system, if carried beyond a certain extent, — without the policy of a proportinate increase of resources, which hitherto has been the case, — *is destructive* in its operation — which however slow in its progress, continues to weaken the sinews of the State and enfeebles the country. I believe in the posibility of raising one hundred millions more, — one third of which would probably come from abroad; and why? because public credit rests still on solid ground! — it has the credit of all the wealthy, industrious, spirited, liberal and ingenious inhabitants of Britain for *its basis;* — which on any emergency will stand forth to protect it with their fortunes, — as readily as to defend with their lives our invaluable constitution.*

* They order those things better in France said Yorick in a joke which Mr. Paine echoed in his last squib at old England in full and mischievous earnest — alluding to the heroic exploit of 360 bad man cutting off, one good kings head. But how do they order those things better in France? Yorick made allusion to some particular abuses having usurped the place of laws, which he was going to take a peep at in person; because those very abuses had been extolled

What an amazing constract of liberality and public spirit between England and France, have the late and former attempts to ruin the Bank of England, exhibited to the world! In England, all people of property and spirit rushed forth to keep it up; — and in France, the same description of persons were the first to pull it down. This was the case with the Caiſse d'Escompte, — and almost every other establishment of public credit.

All the wisdom of the French merchants, bankers and chief trading persons, in full council aſsembled for several weeks and months, could not devise a method to raise any establishment of public credit whatever. — They declared the impoſsibility of it to their country, and to the world. — But it could not certainly be owing quite so much to the want of a stable government and real property, as to the want of liberality, patriotism and public spirit. If it be chiefly owing to the want of stable government as many people pretend, — it only proves to a greater certainty, that the best, wisest and most wealthy persons of the nation, do not confide in the present constitution, nor in its present

to him as superior to the public spirit in England. But I am discuſsing the public credit of nations without which individuals as well as countries with all their industry will remain but in a plodding and trifling life away situation.

present guardians. Making every allowance for the difficulties with which a country has to struggle, during so terrible a revolution as that of France, I do verily believe that English patriotism, liberality and public spirit, would have been able to maintain the public credit of commerce, of the bank and trading companies, under similar storms. The fleets might have been to England what the armies have been to France. As things actually are our fleets have done wonders, and especially under the administration of my Lord Spencer. Yet what might they not have done had the united spirit and energy of Englishmen been directed solely to the Navy from the beginning of the French revolution? But to resume the argument, I believe I have sufficiently shewn — that individual credit is chiefly established by the prudent measures of government, in giving opportunities to the people to place out their money with safety; and to live with ease and affluence, if their stock be of sufficient amount to yield interest enough. Public funds are more over a sort of public guardianship for all the female part of the community; especially for widows and orphans, who would be very much at a loss where else to place their property; the interest of which, furnishes the only means of their subsistence.

What would all the great people of fortune — which are not landholders do with their money,

suppose Mr. Pitt could by a stroke of magic collect four hundred millions together to pay of all the creditors of the State at once? Why those, unable to dig — and ashamed to beg, after their cash be spent, would have no other means left but to shoot, hang or drown themselves, like the unfortunate ci-devant wealthy nobles and financiers of France; — or else to err as thousands of them do in foreign countries, in the most abject state of misery.

I say when I consider their heretofore state of grandeur riding in their gilded chariots attended by a numerous retinue, — I can not but shudder to think of English noblemen, and state creditors, should my dear countrymen ever depart from the spirit of unanimity, to suffer some daring wretches to get the reigns of government into their hands: Not that it would be those who might succeed the present administration — I should fear; but those of a second, third, fourth or God knows how many succeſsions of Maratists, Roberspierreists might ensue! There might he a poſsibility of seeing a Hardy, become the first secretary of state and lord of the treasury; a Thelwall, the lord chancellor of England! — The French would certainly choose all their true adherents to take the reigns of Government; and the select committee of the corresponding society, would fill the most lucrative employments of the country. — This would be *reform with a vengeance!* — and who could garanty old Eng-

land, if a reform were just now to commence, that it might not come to a still worse pafs, especially if citizen Buonaparte should become the second Protector of England? for, there is no doubt but this renowned General would use the same moderation with regard to England, as he has done towards Italy, — above all, to the Republic of Venice. This State, after an existence of several centuries, began a reform, — to please and meet the citizen General half way, with a view no doubt to avert the blow which it feared he was at that time secretly preparing against it. — Buonaparte is for all that a great man! — so was Cromwell, la Fayette, Dumourier, Roberspierre, Thomas Paine, Cartouche and also Barington; — they were all Great in their time and different profefsions; but there is a striking contrast between a great and an Honorable man! — even Cartouche was not devoid of some honorable principle! for, he frequently robbed the rich to give to the poor. *)

On the very same principle in policy, it is committing the same injustice to wrest the lands and

*) I surely do not mean to detract in the least from the greatnefs of any modern political hero, actuated by a zeal to serve his cause more than his country; but I mean to remark in general, that those great men — have evinced by their conduct, principles more or lefs honorable to the faith of Nations.

property, from the princes on the left of the rhine to aggrandize the French Republic, by which the total ruin of a number of their adherents is effected, at the instigation and contrivance of Buonaparte, the Hero of the day. Thus much is certain, that had Buonaparte Italicus flourished in the reign of Roberspierre, one fiftieth part of his imperious orders and proclamations would have brought him to the Guillotine; and he might then have been as much execrated for his tyranny, as he is now applauded and admired for his heroic Generalship, and for his diplomatic negociations.

Englishmen! — seeing the manifold evils these great men of France have brought upon that country, how can ye complain of the temporary suspension of the Habeas-corpus act; — of the enaction of the Allien and Corresponding bills, in these turbulent times? Ye, ought to look on those measures as the means of our salvation, — as the best security to our constitution. What would ye say if Mr. Pitt, finding the minority in the King's council and the opposition in both houses of Parliament grow so strong as to become too troublesome to him, were he to order their houses to be broken into in the dead of the night, to seize their persons and have them dragged from their families and connexions, to a vile dungeon, — and under some frivolous pretence of their conspiring against the King and Govern-

ment, have them all sent to Botany Bay, — together with all the opposition writers, without allowing them either judge or jury to try and to convict them? They would have to bite their nails and lips in dumb silence, — and thus all opposition would be crushed at one stroke; — not a cock would dare to crow in their behalf. — Has not a similar violation of all rights of men, justice and common humanity taken place several times in France, and as often as one faction succeeded to destroy or overthrow the other? This was the fate of Brissot and his party; of Barthelmy, Pichegru and the most respectable of the French revolutionists, that constituted the majority of their different parties.

The tyrant Roberspierre left to the Departments the right of electing fresh members without a constitution to overule and guide him. — And Barras Rewbel & Co. so far despise their solemnly established constitution, as to replace the transported legislators with their own creatures!-- well may they shout in their midnight revels — ca-ira! — But wither? — Alas their best and most honorable men to the Guillotine or to Guiana; — and their country — to ruin for all they care. Let all Englishmen continue to pray. — "From all such anarchy, deadly sins and bloodshed, — good Lord deliver us.„

Thos. Paine in his Publication on the English finance, in order no doubt to shew the world that he has read some books of taste, cites Yorick's joke viz,

"They order things better in France &c.„ He then proceeds in a haughty tone, to claim to himself more merit for his new ratio for the ruin of the finances old England, than was due to Sir Isaac Newton for the discovery of the gravitation of bodies towards the Earth's center; and he attaches as much or more importance to it than to the ratio in Arithmetic of 1. 2. 3. 4. &c.; and in Geometry 2. 4. 8. 16. &c. His new ratio consists in the proportions of 8. 12. 18. 27 &c. viz half of the preceding number is added to the following. This progreſsion he traces on the authority of Mr. Smith's quotation of the increase of the National debt, from its first commencement during a six years war and a whole century — amounting according to his ratio to 444 millons, by maens of which he fixes the expences of the fix following wars (which T. Paine intends probably to wage against old England himself) to 5042 millions Sterling. He however scorns to give his great opinion only predictively; but he produces the data or period in which the ruin of of old England is to happen; and in consequence "he would not give twenty shillings, to receive "one hundred pounds English Stock twenty years "hence.„ In another place he says, "that the "English system of finance cannot outlive Mr. "Pitts natural life.„ —

Therefore, he cautions all men of buſineſs and property who have any thing to do with the

funds, or who wish to bequeath property to their descendants, to take care of themselves. And in closing his catch-penny libel on old England; he says;

"I have now exposed the English system of finance to the eyes of all nations; (as tho they could not see but through Paines dim-sighted, optics) for, says he, this work will be published in all languages. In doing this I have done an act of justice to those numerous citizens of neutral nations who have been imposed upon, by that fraudulent system, and who have property at stake upon the event. As an individual citizen of America, and as far as an individual can go — I have revenged (if I may use the expreſsion without any immoral meaning) the piratical depredations committed on the American commerce by the English government. I have retaliated for France on the subject of finance, and I conclude with retorting on Mr. Pitt for the expreſsions he used against France, and, say, that the English system of Finance is on the verge — nay even in the gulph of bankruptcy. *„

* Poor Tom Paine! The Public surely has a right to expect another of thy rhapsodies on the cruel depradations Frenchmen have committed on thy Beloved America. Now is the time to shew thy

How far Mr. Pitts prediction of Bankruptcy with regard to France is true the world may judge from a double insolvency in lefs than six years time,* — viz so many milliards of Aſsignats, Mandates &c.; by which, millions of credulons inhabitants have been duped and scandalously defrauded in all parts of the world; and especially in the conquered countries, where the fraudulent paper was forced on the point of the bayonet, when it was sufficiently ascertained that it never would be paid: — for, it was known that the different factions, ruling France at different periods were all bankrupts themselves in good faith as well as in honesty. —

For they withdrew all the National pledges, on the faith of which this paper had been at first iſsued; which was just as much, as if an indivi-

attachment, and to find out whether both Republics will not discard a republican of thy cast! But take heed that thou art not unmasked again, as thou wert most completely by a Mr. Ioerson, in his Critical Essay on Adam Smith, and Thomas Paine, where thou hast been detected to have perverted almost every line of Mr. Smith's reasonings to build thy mischievous pamphlet upon. Thou wert in need of a celebrated Man's name in order to trumpet forth thy own, already too much depised by men of reason.

* See Addreſs to the Sovereigns of Europe in 2 parts.

dual leaves a pledge at a pawnbrokers shop, and receives the full value; but in a short time after takes it a way again, with a sword and pistol in his hands.

It would he as much or still more infamous in Mr. Pitt were he to refuse the Bank of England the produce of land and malt taxes, pledged to them as a national security. T. Paine from a great member of that ever notorious Convention, which condemned so many thousands of victims to be cruelly slaughtered at home and abroad, seems to have advanced, not in a progresive motion by any ratio of his own profit, but in a retrograde one, by a ratio of want; — otherwise this great man "who sat "once in judgment on one king, when at the sam "time was himself condemned by another„ could never have condescended to enlist among the legions of French libellers in the pay of the tyrannical Triumvirate Directors;* but his pay must be small in France, for his last libel, is to avenge his loved America and France both at one time; that is, — he aims at two birds with one stroke; but whether his loved America will suffer him to catch one of them, — or even own him as an individual-citizen,

* Alluding to the three Directors which transported two of their better colleagues with half the deputies of both Councils.

when his turn arrives to be driven from France, is another question, — which he himself with all his foresighted sagacity is not able to predict by any ratio of his rights of men — or of the age of reason. — As for his reasonings which are to enlighten all nations on the subject of English finances, his new ratio, paper, money, bankdebts &c. &c. they remind me of the blind Priest holding forth a farthing rushlight, to his numerous congregation to rehearse latin Psalms of his own composition.

I will take all his reasonings in turn as I proceed in my illustration, to shew that his New Ratio, discovered solely for the destruction of English finance will affect the public credit of England no more, than a broadside of soap-bladders would affect Dover Castle.

Navigation and Carrying Trade of England.

As good often times comes out of evil, we have to thank the Usurper Cromwel for the establishment of the Navigation Act, which with that of the Public Funds created in William III reign we must consider as having been the great leading sources of the spirit and genius of England — of the present astonishing *scope* for navigation and commerce, which it enjoys over the whole world. The celebrated Raynal, one of the soundest judgements and understandings of the age, cannot enough admire the institution. — He with great reason calls the former, a Master-piece of English State policy. It is nothig more or lefs than a well digested, successful and profitable national Monopoly of the carrying trade and navigation of the whole world, which neceſsarily throws the greatest and most lucrative part of the commerce in the Universe into the hands of the English nation. — This monopoly is founded on *sound* policy, *noways contrary* to the laws of nations.

Foreigners have yet but a very imperfect idea of this institution, which some fugitive Journals on the Continent have animadverted upon with the most rediculous ignorance. All monopolies among

the individuals in a nation, are certainly hurtful to the community; but the monopoly of an entire nation, must prove more beneficial to the whole country than immediately strikes the observation of the generality of politicians. For the sake of those who perhaps never enquired into the meaning and intent of this act, I shall briefly observe; "that no nation in or beyond Europe is allowed by this act to carry merchandise to England in their own ships, except the real growth and produce of their own country; — and even many articles of this same produce pay several percent more duty, than if imported in British ships, from the same port. —

Hence it is that allmost three fourth's of the Mediterranean, Atlantic and Baltic trade is carried on by English ships alone; — above half of the Channel, Northsea and American trade; — and nearly the whole of the East-Indies, Coast of Africa, West-Indies, New Foundland and of other British colonies. I mean the proportions of trade which those countries find it their interest to carry on with England. As to the British calonies and foreign establishment, it is self evident, the whole of it belongs exclusively to England.

The severity with which ships are treated, if supposed to carry any article, not the produce of the country they come from, and belong to, is such

as often produces a confiscation of both ship and cargo. This is so strictly adhered to by the custom-house officers, that it not only prevents, any infringement on this act, but in time of war, it hinders even the most useful and necessary articles to be imported from whence they can possibly be had, — supposing England at enmity with the country they usually come from. This strikes at the same time a considerable damp on the spirit and enterprise of a merchant, who risks, his labors and fortune to provide his country with those essential commodities, which it is deprived of in time of war, — especially when he does not infringe the intent of the act, but only laudably endeavours to find substitutes for such commodities in other countries. Nevertheless if the custom house officers have the least suspicion (which often arises from ignorance) of such produce growing also in different countries, the captain and merchant run the risk of losing ship and cargo, or must bail them with an enormous sum at the option of those officers, and seek redress in a costly and tedious lawsuit, which they can defend in a frivolous manner at the expence and suit of the King.

I know an hundred instances of the severest injustice of this kind having been committed with impunity, because most merchants, knowing the expence and chicanery of similar suits, would rather submit to an unjust confication than hazard an uncа-

qual warfare, which commonly ends with each party paying costs. Indeed the attention of the legislature ought to he called to this great abuse.

It is committed under cover of an Act, which in its real intent is the most beneficial that could have been devised by men, for the prosperity of any country. At a future period I may perhaps collect all the instances of this abuse on the fair trade of English merchants — lay them before a mercantile Public at large, and let them resolve on the proper measures for complaint and redreſs, — either from the Board of customs, King's council or from Parliament itself, if found neceſsary.

The great benefits of this act are, the encouragement for the building of thousands of ships, by which ten thousands of people are employed within, and those thousands of seamen, who fetch commodities to supply our own wants from millions of people in foreign nations.

They carry in return, the superfluities of our growth, the produce of our manufactures &c. by which traffick thousands of merchants and manufacturers enrich themselves, who again furnish the means and even comforts of life to millions of inhabitants; and provide a great part towards the exigencies of the State.

Without the astonishing benefit of this act and the establishment of the Public funds, together with the bank of England, afsisting by reciprocal obligation, the power and policy of government, which move, direct and protect the wonderful machine of universal Trade, — I say without this act, the Dutch, who in the middle of the last century were the masters of the commerce of Europe, — would from their riches, connexions and central situation have remained so to this day; and the commerce of England must have been in a languishing state, and perhaps not more important than that of Denmark, Sweden or Spain is at this time.

Before the establishment of this act, in the reign of Charles the 1st., England poſseſsed but very few ships of 300 tons burthen, (which by some is limitted to three only) and perhaps a couple of hundred ships of smaller burthen. But under Charles the 2nd who confirmed this Act in its full extent, about twenty five years after it had been established, England poſseſsed above 400 ships of 300 tons burthen, and near 2000 of smaller ones; which rapid encrease is really wonderful. If we calculate the progreſsion, from 3 ships of 300 tons to three hundred of the same burthen within 25 years space, — Mr. Paine's newly discovered Ratio of 8. 12. 18. 27 &c. will apply still more exact to the ten subdivisions of $2\frac{1}{2}$ years each, — which brings the progreſsive

increase within 25 years, to exactly 303 Veſsels 300 tons burthen. The progreſsive increase of such national prosperity is by far more rapid than Paine's ratio of national destruction, in six periods of war within on hundred years; for, if we allow the neceſsity of six wars in an hundred years and each to last six years, it gives 36 years of warfare in a century and 64 years peace — or pause to impede or counteract his ratio of progreſsive destruction; and even to work for its retrogradation: But in the progreſsion of England's prosperity from the Æra of the Navigation Act, there has been neither retrogradation nor absolute pause; — although the ratio of progreſsion, might have changed from rapid, — to slower increase.

Indeed if I could be furnished with all the neceſsary informations and could sacrifice time, I would ascertain a ratio of progreſsion to almost every branch of national prosperity, more exact as that of Mr. Paine for his down-fall of old England. — Every body who has the least notion of arithmetic and geometry will allow the poſsibility of a ratio to every thing, not only in a state of progreſsion, but also of retrogadation; the only difficulty consiss, in obtaining the neceſsary information, not to discover as Mr. Paine glorifies himself but merely to ascertain that ratio by calculation.

Sir Isaac Newton's discovery of a ratio in gravitation, seems to lead Mr. Paine to think as great honor

honor due to him for his ingenuity in discovering a ratio for the destruction of England.

I have not made the ratio says he, "any "more than Newton made the ratio of gravitation; — "I have only discovered it, and explained the mode "of applying it."

Sir Isaac did not make gravitation neither! but he, certainly had the glory of discovering the first ideas thereof, as well as of the ratio, — and the mode of applying it. — Hence Mr. P — cannot claim the merit of any ideas of his own on this head; he only applied the ideas of Sir Isaac Newton to a different subject to ascertain the ratio by which he wished poor England to continue in a state of destructive progreſsion; for which purpose, he has the malice to give a table of progression, and by it carries the expences of the next five years wars to 3200 millions, to prove to Englishmen the taxes and expences they will have to pay in the next century. I will go still farther; I will aſsist Mr. Paine in the application of his ratio for the six wars following those of his own, probably during the 20th century. —

Now my dear countrymen observe how exact Mr. Paine's ratio will apply

Years of War	Paine's Ratio	Cost in Millions Pound Sterl.	
1	8	21	
2	12	33	
3	18	48	
4	27	72	
5	$40\frac{1}{2}$	108	
6	$60\frac{3}{4}$	162	first six years war 444' millions costs for the 18th. century.
7	$91\frac{1}{8}$	243	
8	$136\frac{5}{8}$	364	
9	$204\frac{15}{16}$	546	
10	$307\frac{28}{32}$	819	
11	$410\frac{3}{10}$	1228	
12	$615\frac{9}{20}$	1842	second six years war * 5042 millions for the 19th century
13	$927\frac{19}{20}$	2761	
14	$1319\frac{17}{40}$	4141	
15	$2086\frac{27}{40}$	6211	
16	$3130\frac{1}{80}$	9316	
17	$4695\frac{3}{160}$	13974	
18	$7042\frac{83}{160}$	20961	Third six years war 57361 millions for the 20th century

total 58247 millions for 18 years war during three succeeding ages.

* Probably to be waged by Paine's Heirs Successors & Associates against old England.

My readers will please to remark the ratio — of the last six years war of the 20th century, are carried on by myself, — first to follow up Mr. Paine's laudable example; and secondly to shew the amazing cheapneſs such expensive wars, can be carried on, in ciphers, for one or two centuries before hand. —

Thirdly the wonderful rapidity of Paines new ratio has more over the advantage of fractions, which the ratios of arithmetic and geometry have not; however he is modest enough to hide them from the public perhaps for expedition's sake. Hence I conclude that if Mr. Paine with his ratio, and his system built thereon, be not full as infallible as his Holineſs the Pope himself — the next six years war that may happen (after the 20th. as above) will cost many more millions than the whole Earth is worth. I would advise him to publish a new treatise for curiosity's sake, to add to the many very curious things which daily happen in France, in order to amuse his friends the five Dictators, or whatever name they may please to give themselves. Let the world at large see in all languages, how much all those wars must have cost by his own ratio which were waged from the time of Adam to the Christian Æra; — and from that to the present time.

I think his ingenuisty, employed for sometime in ciphers would add more light to this dark world than it ever received from Solomon, Pythagoros and Newton or even from *Buonaparte*, the *Fac totum* of Republican France.

Of the National - Debt.

The sound of above 400 millions sterling of National debt, seems to cause a terrible vibration even to an English ear, unaccustomed to large figures; — but much more so to foreigners when the pounds sterling come to be reduced into Dutch florins, and into French livres. — Though of late years they must have been pretty well accustomed to the heigh sound of milliards; by the great profusion of afsignats, and mandats, which the French had forced into circulation, at home and abroad by the mouths of the cannon. — They must at the same time have experienced so many extraordinary unheard of and horrid things during the French revolution, that one amazement succeeds another so rapidly, as to bewilder the mind and throw the memory into a chaos of stupor and confusion; and it becomes so callous, as not to be longer susceptible of astonishment at any thing the French may do, — from having shewn themselves capable of every posfible Violence within these few years past.

They therefore exert all their ingenuity to trumpet forth abuse and defamation against the

British finances, endeavouring thereby to depreciate the Public credit of Great Britain.

In order to undeceive the deluded, as well as to entertain my readers, — I shall here take a short review of the real nature of the English national debt; which of late years has become a coloſsus of wonder, praise, and abuse.

In contracting this debt the British Governments, under their various sovereigns and ministers have always followed one and the same rule of contract - viz.

1st. To raise a loan, but not to pay the capital again at the will and pleasure of the lenders, subsequent heirs or purchasers; — but at the sole will and convenience of the present and future Parliaments, or Governments, — in succeeding generations.

and To pay interest fixt, or an *equivalent* in proportion to the intrinsic value of the capital, raised at the time of the contract.

These, I should conceive in the strictest sense of honor and justice, to be the real conditions, upon which the Government and the Nation of England, agreed with all the State creditors; — though it is poſsible that several of them may not

have enquired into the exact nature and conditions of the contract at the time of placing their cash, from a full and welfounded confidence, that their money was better and more secure in the public funds, than in their strong boxes.

But I will venture to aſsert that all the original contractors for loans are perfectly acquainted with the nature of their subscriptions. — Thus it is an undoubted and public fact, open to the whole world for this last century —

that England never engaged to repay the capital of the Public *debt*, *but at the* will and convenience of the State:—

therefore none but mad men can expect to receive their money again from government: — yet they are at full liberty to carry their stock to market, — where they will always find its real value for the time being. God knows what a number of men without any stock, have been jobbing and enriching themselves in the trafic of stock, they never poſsesſsed: — and many others, more ignorant and leſs cunning than their fellow-gamblers, have often been obliged to disappear from the jobbing stage in the characters of bulls and bears; but this is a small evill and cannot be prevented without committing a much greater and more dangerous one viz, the shutting up the Stock-exchange, or forbidding the real and fair sale and purchase of funds,

which every man of common sense will perceive to be highly dangerous to the affairs of State.

When William III. first began to imitate the loaning system of the Italian States, the interest of money stood much higher than it does at present. It fluctuated in proportion to its scarcety or plenty, at that time; but when money began to encrease so much faster in proportion than all other things, the former high interest, instead of decreasing with the value of money, to its proper level, was made the play-ball of usury and imposition, untill the legislature found it neceſsary to interfere and prescribe proper limits. Hence the interests in common transactions were reduced to five p. cent, — and as government found, from the growing trade and property of Great-Britain, the value of money to decrease in proportion to its encreasting quanity, the interests of the old national loans, were properly reduced from five to four p. cent. — Since this reduction took place, the growing commerce of England and the constant supply from the mines of Europe, Africa and America, still continued to depreciate the value of money and gold and silver bullion, in proportion of all other neceſsaries and merchandises.

Thus I hope the English Government will, as in duty bound, in honor and justice to its original

engagements with its State-creditors, soon think of a farther reduction of the National interests on the public funds, to the real proportion of the present value of gold and silver; which might be ascertained from the last ten years average calculation of corn and provisions in Great-Britain and Europe.

It is become almost a fashionable proverb, to say, "England can never pay its large debts, "as there is not cash enough in all Eu- "rope to discharge them", or words to the same purpose. But is this any argument for men concerned in the English funds? It is a shallow, superficial reasoning, with thousands, bearing the character of sensible men. But let us see how this reasoning applies? —

We have examined and proved before that the circulating specie of a great trading Nation, can or ought to bear but a very small proportion to its real wealth: — I therefore leave the ability of England for the optional discharge of the capital, and proportionate payment of the interest, to be judged and condemned by the poor standard of the quantity of guineas crowns and shillings, circulating in Great-Britain, or even by the quantity of louisd'ors, ducats, dollars, guilders &c. on the Continent. — The great question is, whether England by its

daily increasing commerce and navigation is *enabled*, to discharge the small encrease of interest, or the growing capital? — This will be proved by the estimate tables of the balance of trade of Great-Britain; and from which I leave my countrymen to draw their respective and conclusive opinions. As to the general cry about the enormous bulk of the present national debt, I need only refer my readers to all the parliamentary speeches and the news-paper hue and cries, that were raised against the national debt, about one hundred years ago, when the funding system was first established, and when the sums funded, amounted to about seventeen millions sterling. — I verily believe, there was more noise and tumult raised, and a speedier destruction to old England predicted, and expected, on account of these seventeen millions of debt, than there is now apprehended from the present debt of above four hundred millions. It is astonishing, that after all the continual clamors and out-cries about the ruin of Great-Britain during a whole century, — its debt has been encreasing to this enormous sum, and the capital itself has been paid five times over by the accumulating interests. Is it then so wonderful that the taxes should have multiplied from year to year, to an alarming degree? — after all these terrible disasters and dreadful occurrences should happen to the country, — that its manufactures should have encreased? — its various

branches of trade and navigation — have maintained a flourishing superiority? — and that its marine should have outdone all the former brilliant conquests, so as to raise British valor and commerce to a higher degree of glory and consequence than ever was attained by the most powerful nations on Earth, — and still always galloping (according to the cries of opposition) in the high road to ruin??? It may perhaps be deemed high treason with some people to tell them in real earnest — *That the encrease* of British wealth *and commerce has always kept double pace with national expenditure.* Since these last twenty or thirty years, our manufactures and commerce have been tripled and quadrupled; but our permanent taxes have scarcely been doubled to what they were fifty years ago.

Whoever might have predicted the *fact*, that English taxes and expenditure doubling in fifty years, could produce a quadruple individual profit to the nation in five and twenty years, would have been deemed deficient in his intellects. — Supposing for a moment that the present taxes and expenditure, might be neceſsarily doubled, from the exigencies of the times, — what would hinder the trade and navigation — to keep double pace as to our national wealth? — From seven to eight hundred armed Veſsels, to protect and convoy above twelve

thousand trading ships (half of which are also armed in part) are sufficient to carry on the commerce of the Universe in fair reason, honor and probity, — without the least violation of national faith or justice to neutral countries; even should the war continue several years longer. — When in the year 1774. the cotton manufactures of England, consumed for about one million sterling of cotton-wool in productive labor, America being still in our poſseſsion, — and the national debt amounting to about 174 millions; who could have supposed, that after an expence of 108 millions more debts — in the loſs of America, and a furious contest with France, Spain and Holland, for several years, which encreased the taxes to a great proportion, — who could have supposed I say, that our cotton manufacturers in the years 1791 should have consumed for 13 millions sterling in that very same productive labor, which generally gives a profit from one to four hundred pr. cent according to the strength, fineneſs and beauty of the patterns? And the cotton manufactures being the most considerable branch, I shall quote them as a fair standard for all other national productions, — proportionally advantageous. Woollen-cloths for instance, the manufactury, consumption and exportation of which, were more than double in 1790 — to what they had been in 1780, only — ten years before. These facts may here suffice to prove how far national resources have really kept

pace with, and more frequently anticipated national debt and expenditure; In a subsequent chapter I hope to elucidate to my readers the natural causes of the rapid encrease of public credit, agriculture, manufactures, trade, navigation — all which conduce to double the wealth of individuals, in proportion to the growing debt of the nation. But to be still more intelligible I beg leave to draw a short simile between a general trading merchant and a trading nation, for there are men who speculate in every thing. Suppose a man forms a House under the firm of Briton & Comp. — to do general businefs in agriculture, manufacture, trade and navigation; for it is not unusual to have shares in each of those concerns. He finds his dealings to overgrow his capital — and wanting a supply to give strength and vigour to every branch of his trafic, he borrows a sum of money on certain interest to repay the capital at his own option or convenience. With this borrowed cash, he employs superintendants, overseers, clerks, runners, porters warehousmen, labourers, houses, cattle, waggons, ships, sailors, machinery, materials, tools &c. &c., all working on his own ground, — carrying on his trafic; — in fine, all labouring for his benefit. As it is not uncommon for a man in such large concerns, to allow a handsome share of profit to all the men employed by him, in proportion to their respective merits and talents, we will suppose that the Principal admits

all persons employed in his busineſs as partners in a proportionate degree of their labors and earnings, for the general encouragement and benefit of the whole; — from that moment this great House of busineſs in divers branches, labours in common as one large family, for one common benefit. Their busineſs thrives in proportion as it extends, and their credit and reputation encrease, *with their orders.* -- However the firm is obliged to borrow more cash, to answer its daily expences without being obliged to relinquish any of its profitable dealing. — For this purpose the Principal Mr. Briton calls upon his numerous partners, — opens a loan from their respective private fortunes and savings, — which they must have made by the yearly profits of their joint concerns. All the partners, or a great majority are convinced of going on well; and of the neceſsity of more capital being requisite to go on still better in the fair execution of their numerous orders; — thus they cheerfully contribute their shares to every succeeding loan, and a small part of which may be borrowed from other persons, who wish also for a share in the firm, from the known reputation and conviction of the solidity of it, — the Principal having always observed the greatest punctuality in discharging the interest.

In this manner the House may continue by heirs and succeſsors for a whole century always prosperous, untill it becomes a large community. —

From the immensity and the extent of the concerns of Briton & Comp., it is impoſsible to avoid troubles and loſses, — and great sacrifices must often be made by borrowing fresh sums of money for the general welfare. — When at the same time each partner makes and shares an annual profit from the buſineſs, more or leſs considerable according to the labor and ingenuity he applies to that branch entrusted to his direction, — and tho' some of the partners may, from neglect or private misfortune go backwards, — yet so considerable are the annual orders and profits of the industrious and fortunate partners, that they are always ready to supply the Principal with fresh funds as soon as he wants them. Thus we will suppose that four-fifths of all the sums borrowed at different times are advanced by the partners concerned in the House, and that one-fifth be furnished by strangers, from the mere want of knowing how to employ their money more securely and to greater profit.

Now it happens that from many disasters and failures abroad, — the credit of this trading company, begins also to be suspected; but more especially from the vile slanders of some envious, great foreign Bankrupts, — who could never keep pace either with the industry, ingenuity, honor or credit of Briton & Comp.

Therefore to undeceive the public, — to shame the slanderers, and to convince the world of the solidity

of the firm? — the first governor and acting partner, of Briton & Comp. orders a general and minute survey and estimate of the whole concern to be made out. — He begins to look over the list of cash and property, brought into his trade, for one hundred years back; and especially from the time the House was first increased by borrowing money on interest. — He finds the debts accumulated to above four millions bearing annual interest at 4 pr. Cent of l. 160000, one fifth of which viz 32000 l. is paid to strangers — but the rest, viz 128000 is annually divided amongst several of the first partners of the House, by half yearly payments. He next considers whether the *general stock, movable and immovable property* and yearly income or profits are not more than sufficient, regularly to discharge the interest, and still keep a *gaining* account for the benefit of the respective partners; beside the interest they enjoy from their shares in the general fund? He then proceeds to estimate. -- First all the private property of the different partners, most of whom or of their predeceſsors began with little or nothing. Their private cash, jewels, plate, furniture, houses, parks, estates, horses, cattle, corn, land &c. he estimates at the present general value, and finds the *total private* property alone, has gained and increased during the last hundred years to above three times the bulk of the accumutated debt, — viz — twelve millions sterling. After this he pro-

ceeds to estimate the general stock of Briton & Comp. consisting of

1) All landed property, corn, cattle, woods &c. improved during the 100 years to above double the original value.
2) The numerous manufacturies, machineries, tools of all sorts.
3) Mines of copper, tin, lead, coals &c. &c. yielding a certain annual profit.
4) Great quantities of raw materials to supply the manufacturies
5) Great stock of manufactured goods of all sorts in the warehouses, *to an immense Value.*
6) Quantities of jewelry, watches, pearls, gold, and silver bullion, diamonds, precious stones &c.
7) *Inestimable* quantities of stores provisions, and Colonial produce, from all quarters of the world.
8) Vast numbers of ships of all descriptions, completely manned, victualed and provided, with provisions, ammunitions &c. for several months.
9) Valuable mansions and great stock of furniture, building materials, vast tracks of lands to be cultivated &c. &c.

All this public and private property estimated together at a very reasonable value, he finds to amount to above two hundred millions sterling, — which even a Dutch or French broker would give for the whole. Thus are they fully

enabled to go on with their extensive trade, to a great profit and in perfect security. — However the acting governors as the representatives of the principals have not only remained poor, but are chiefly bound for the payment of the interest, which they can easily collect from the rest of the numerous partners in that House, most of whom gain daily great profits in this immense concern. — Thus by their unsullied good faith, and honor, they are ever ready to discharge the interest, and will in time be able to pay off the capital, — as soon as the acting clerks, can hit upon a proper plan, to meet the general approbation of all the partners concerned.

Of the Balance of Trade and Navigation of Great-Britain ascertained, as much as the Nature and Magnitude of the subject will admit.

Much has been written and still more said by men of the first intelligence respecting this important matter; and although no very material objections can be found against it, yet many things, may be adduced pro and contra.

Whenever assertions and objections are indiscriminately thrown together, they tend not a little to perplex and confound, where they are meant to elucidate and inform. As there is a posſibility of approaching the truth of most things in this world, if not finally to ascertain it, I shall endeavour to approach the true statement of the balance of the English commerce as near as I can, from the informations I have been able to obtain by my experience in general trade, as a merchant. But to ascertain the exact truth of this important matter, is as impoſsible as to examine the books and papers of every man in Great Britain, to find out the extent of his loſses and profits.

That England owes its chief welfare to commerce and navigation, is a fact which

no man will deny; — and that England has gained great sums of money yearly, by which many thousands of individuals have enriched themselves from time to time, is beyond the doubt of the most egregious sceptics. — We also perceive by the increase of the number of ships, of sailors, of import and export duties, of the customs and excise, by a continual rise in exchange in favor of England, the annual increase of trade and navigation. The greatest intricacy and difficulty seems always to be, the general and vague manner of ascertaining the balance of trade from the custom-house books, viz, by taking the difference between the importation and exportation as they are indiscriminately valued at the different custom-houses; — and the amount of this difference, is generally said to be our annual balance of trade, which has caused so much controversy between Ministers and the Opposition; because, this usual mode of ascertaining it, is liable to many objections and exceptions. — I shall endeavour briefly to state the most common objection, and at the same time enumerate some causes to confirm it.

The balance of trade of a great commercial country, is generally affected —

First — By any change in the political world, which more or less affects and influences commerce and navigation.

Secondly — Whenever such changes happen to affect the increase or decrease of trade, — import and export, — the fair balance cannot be gathered from that particular year, — or few years, in which such changes happen; but it must be taken from an average of 3, 5 or 7, or more years, just as the impeding or affecting occurences may happen.

Thirdly — Though the mode of valuing the imports and exports at the custom-house is not very correct in general; still it remains the best and only one hitherto adopted: and if we consider that it will happen to overvalue the exports, the same errors must also attend the imports. In short whether they are over or under rated, — the errors both ways will be found nearly to balance each other, in those average years.

Fourthly — In times of war some allowances must be made for the exports of ammunition and provisions, for the use of our fleets and armies abroad, — for the loſses of ships and cargoes; — also for the imports of materials, for the equipment of the navy, — and especially for the import of prizes, which otherwise would leſsen the balance of trade — instead of increasing the same, which is virtually and really the case.

Fifthly — If we retain the present mode of valuation, viz, to estimate every thing at the British

market prizes, we must establish some tables of estimate, shewing the different. commercial branches of national earnings and profits, which are now included with the import valuations to our prejudice; for they ought either to be deducted from the import, or to be added to our export value: This must absolutely be done, if the mercantile maxim be true that.

Sixthly — all imports are considered as national losses, and all exports, as national profits, — and the difference of these accounts, to be either the balance of loss or profit.

I have no doubt but a more accurate mode of valuing the imports, and exports, at the custom-house might be adopted; but it must be done by respectable, experienced merchants, or other persons well skilled and connected in foreign markets; for, all the imports, ought to be valued at prime cost in the markets abroad, in which case the other branches of national earnings above alluded to-viz, — the value of British ships freight, insurances, customs and excise, bill and light money, agencies, brokages, postages, fees, pilotages etc. could be properly accounted for, and would really appear in the balance. This not being the case, I have attempted to supply the defect by an estimate table of national earnings.

National-Debt and Credit of England conducive to National-Prosperity by the Balance of Trade.

The National-Debt and Credit of England may not unaptly be compared to an overgrown mastiff, which is barked and growled at by all the small curs he meets; because he possesses, keeps and feasts, on the rich marrow-bone which they cannot taste.

Part of the wealth of all nations is deposited in the English funds under the strong lock and key of the British constitution, guarded by honor and integrity. Individuals in general would be much embarrassed to know how to employ, or even how to keep their treasures themselves. — Thousands, nay millions would he thrown into the greatest trouble and difficulty; and most of them would in a few years be brought to ruin, — if it were poſsible at the present time for these trusty guardians to be corrupted, and to suffer this strong chest to be broken open and the treasures to be taken and divided among those who have a right to share them according to their several proportions. If all the creditors of the Nation could at this dangerous moment, as it is called, withdraw their full property,

I venture to say, ninety out of one hundred would be greatly perplexed what to do with their money — how to profit by it — where to keep it secure; but above all, how to live upon it, without preying on its vitals?

Ten in a hundred might find delusive ways and means of becoming adventurers in some other speculation, but I do affirm that seven out of these ten would speculate away their fortunes even much sooner, than the ninety in a hundred could consume theirs out of their strong boxes. — Thus the National debt instead of being a great engine to farther National and Individual prosperity would then become a source of real National and Individual Misery. Whereas should this property remain in the National chest, it would provide and secure to them a comfortable living; and the majority of that number being in business of some kind, have an opportunity of encreasing their fortune, by means of the many opportunities of credit, the National debt furnishes them with.

Affairs of commerce having obliged me, for some years to travel in most parts on the Continent. I have had occasion to gather the most prevailing sentiments on the subject, I never meddled with politics, affairs of State, or with English finances, untill the English newspapers and various pamphlets circulated abroad, engaged my attention by their various comments and misrepre-

sentations in their remarks on the National debt. — By the sound of terrible words and enormous sums, they have influenced foreigners, especially those profefsing revolutionary principles, to entertain the most unfavorable ideas of the present state of England. Many growl, grumble and are angry, because they cannot lay hold of, nor even affect in the least the great marrow-bone, by their numberless attacks. Most of its adversaries blunt their pens, — waste their ink in daubing their paper — in order to immortalize their motley productions at the shrine of the goddefs Cloacina.

I allude to those English and Foreign pamphleteers and catch-penny writers, whose field-marechal is Tom Paine. There are however several persons of real respectability who favored the public with their opinions, and for the ingenuity, impartiality, and candor of which I have great respect. — I have consulted most of them and have taken some pains to collect every thing said or written against, or in favor of the National debt, in order to be enabled to refute, the one or confirm the other. The flambeau of commercial knowledge and of great experience of most merchants, must diffipate the most sophistical, though plausible arguments, which predict the speedy or distant total downfall of the Public credit, and the ruin of England.

In entering the lists I have to contend with some of the most enlightened men of the age in political

information; but who seem not to have studied the science of commerce, much leſs have they had experience in trade to enable them to trace and examine the simple causes which have produced such astonishing, tho' natural effects. I will be as concise as the magnitude of the subject will permit.

To be more clearly understood I wish to agree with my readers on the real signification of Political Balance of Europe — Balance of trade — National Debt, Bank Debt — Favorable Exchanges, High or Low Interest, Paper Money and Paper Credit; which in addition of what I have said already, I shall endeavour to illustrate in as clear a light as poſsible, for the satisfaction of those readers that are not versed in mercantile discuſsions.

It is difficult for many to form a precise idea on these matters or subjects at present; — for, most writers have so confounded and blended them together as even to have perplexed and misled themselves as well as their readers.

1st.

Balance of Europe.

Me thinks I hear it asked, „what has the political Ba„lance of Europe to do with the National credit of

„England?“ Patience kind Reader! Much more than the generality of men may be aware of.

This political balance is the true Counterpoise of the different allied powers, forming as it were a family compact, for the advantage and security of countries and individuals, agreeable to their respective internal resources of action and reaction. It is not the wealth or the military forces of a nation alone that create internal weight or external consequence. Spain for instance, with all the riches of Peru and Mexico! — what is its influence in the military or naval Balance on the Continent of Europe, or in the Indies? — No more than a feather! What was that of Prusia with all its military force before Frederic the Great, who by a combination of strict oeconomy, skilful generalship, increasing population, velocity of manoeuvres and operations, raised his kingdom to a first Power, which his succesor, even with the immense treasures left in the chest could hardly keep from sinking again? Without rich alliances or another Frederic the Great, Prusia will never be able to carry on another seven years war; especially since its last acquisition in Poland by which this kingdom is almost put in a straight waistcoat, by being placed between two rival Nations, each of which, is far more powerful than itself. Against the invasion and conquest of these Powers, Prusia has no Barrier,

especially if Austria and Rusſia understand each other and act in unison.

When great wealth is produced by National industry, and prosperity, and is thrown and kept in proper circulation by public spirit and superiority of commerce; — when the gradual increase of trade, manufactures and dominion, require a proportional augmentation of naval and military force, for its protection, — *then a country rests on a firm ground, and on a solid basis*; and with becoming pride and dignity can assume the first rank among the most respectable Powers in the Political Scale of Europe.

I beg my countrymen to cast an eye over the map of the world, — and they will without difficulty discover the station of our small Island. After having reviewed its insignificant extent and considered its geographical situation, call to mind its historical inconsequence at the invasion of the Romans; — when it was first noticed by its neighbours, but deemed almost as insignificant, as any of the small Islands which Capt. Cook discovered in the Pacific Ocean. — Then let them investigate the causes that have produced such wonderful effects! — that have raised so small, insignificant a spot of 2016 square miles and containing but about seven millions of inhabitants, to such eminence in the rank of nations, as

to be become the guardian and protector of the whole world; — that the produces and riches of all nations should be at its command, — that all productions and manufactures should surpaſs all competition, — that the arts and sciences should flourish and surpaſs all other civilised nations, — that in the midst of dreadfull revolutions and rebellions, the British Trident should ride triumphant from pole to pole, — so as to attract the envy and admiration of the Universe. —

Now after having recapitulated these wonderful effects, I will, in addition to my former preliminary and general remarks, enter into a more particular examination of their causes, under the heads of Balance of trade, National debt, Bank debt etc.

2d.

Of the Balance of Trade.

Continuation.

Altho' few writers agree in their definitions and explanations, of what is termed the balance of trade; yet it is evident to every person that it must be in favor of that nation, which is most renowned for its industry, its commerce and enterprise; — and consequently the most wealthy nation. This is most undoubtedly Great-Britain, whether conſidered collectively or individually.

Altho this fact be ascertained by selfevident proofs, yet as many writers have dwelt upon the uncertainty of coming at the real balance of trade, I will be the more explicit. — One of these writers is Paine, who has proved himself wonderfully cunning, insolent, and ignorant at the same time, by treating the British members of Parliament as school-boys, led by their noses, by Mr. Pitt; who he says „imposes upon the nation, and gives a false „colouring to its affairs," by a motley amphibious characterd thing called Balance of Trade. Here Tom Paine proceeds to explain to the legislators of Great Britain and to the most respectable merchants in the world, how this balance of trade is ascertained. Without this enlightened pamphleteer the world then must for ever have remained in the dark! Poor Tom! even thy great ingenuity in mischief cannot give a colour to thy sophism; thy grofs ignorance in this matter, shews thy groveling in darknefs visible.

Thou hast indeed given an additional glare to the Flambeau of the first merchants in the Universe. — Let us examine thy reasoning and unmask thy stupidity; for, whatever Lumen Mundi of commerce thou art become in France, Englismen can never be imposed upon by thy new invented ratios, which no doubt may have astonished thy revolutionary brethren as consummate in wisdom as thyself. Mr. Pitt's attempt to pay off the National debt is in thy

unerring opinion, „like a man with a wooden „leg, hunting a hare;“ but we shall prove thy attack on the National credit of England a Don Quixote fight with the windmill; — in which not only thy jaw bone, but thy whole noddle is deranged; — but to the point.

Balance of trade is the value of the surplus of merchandize exchanged between Nations.

England has evidently the advantage of most countries of the world, as I shall hereafter shew by some relating table. Tom Paine has in his wonted way, thrown about a great many squibs respecting the difficult mode of discovering that the balance of trade, is in favor of England, — by which he has discovered a greater share of real ignorance than I suspected in him. — He says „this balance of trade „as it is called, is taken from the custom-house, „books, in which entries are made of all cargoes „exported, and also of all cargoes imported, in each „year; and when the value of the exports, according „to the price set upon them by the exporter or by „the custom-house, is greater than the value of the „imports, estimated in the same manner, they say, „the balance of trade is so much in their favor. „The custom-house books prove regularly enough that „so many cargoes have been exported, and so many „imported; but this is all they do prove, or were „intended to prove. They have nothing to do with

„the balance of profit or loſs; and it is „ignorance to appeal to them upon that account: for „the case is, that the greater the loſs is, in any one „year, the higher will this thing called the balance of „trade appear to be, according to the custom-house „books: For example nearly the whole of the mediter-„raneen convoy has been taken by the French this „year; consequently those cargoes will not appear as „imports on the custom-house books, and therefore „the balance of trade, by which they mean the profits „of it, will appear to be so much the greater as the „loſs amounts to; and on the other hand, had the „loſs not happened, the profits would have appeared „to have been so much the leſs. All the loſses hap-„pening at sea to returning cargoes, in accidents by „the elements, make the balance appear the higher „on the side of the exports; and were they all lost „at sea, it would appear to be all profit on the custom-„house books. Also every cargo of exports that is „lost, which occasions another to be sent, adds in „like manner to the side of the exports, and appears „as profits. This year the balance of trade will „appear high, because the loſses have been great by „capture and by storms. The ignorance of the „British Parliament, in listening to this hackneyed „imposition of ministers about the balance of „trade, is astonishing. It shews how little they „know of National affairs; and Mr. Grey may as „well talk Greek to them, as make motions about the

„state of the nation. They understand foxhunting „and the game-laws.“

Can any language be more ignorant, more scurrilous than that, which this fugitive revolutionist has addreſsed to a whole nation, renowned for its superior knowledge in commerce? Had he been in controversy with a single man of his own cast, he might have been rewarded by a good manual application for his insolenee; but from a whole Nation, he can expect no other punishment, than that of being universally despised and execreated, in which his former adherents in England now join, and look upon him with the greatest contempt; they blush at their old acquaintance, and regret the protection they had so unworthily honored him with.

The custom-house books must certainly remain our general standard to ascertain the balance of trade, altho' its accuracy may meet with exceptions. I shall explain, and call every British merchant to witneſs my aſsertion. — To ascertain this balance with the precision of Italian book-keeping is morally impossible; — however the difference one way or other cannot be very material. The custom-house books contain an exact account of all goods, paying duties inwards and outwards; and of all goods, viz, such as are entitled to a drawback (of the greater part of duties inward) on their exportation.

In

In all these goods every merchant knows that the least inaccuracy of weight etc. would be liable to confiscation and penalties; — and they all bear a proportion to free goods as 100 is to 5. — Thus the inaccuracy allududed to, can exist only in the importation and exportation of free goods, which renders the difference very immaterial.

For example a merchant enters a quantity of cotton-wool, bullion, gold, silver, pearls, diamonds and other precious stones; of all other free goods he may enter what quantity he chuses; and tho' there are many, who for the sake of shew in the bills of entry will declare a much greater quantity than they actually import; still there are some, who from policy to keep up the market price, do not always declare the whole quantity, but the general rule of the custom-house is, that each quantity of free goods ought rather to be over than under of what they are entered for importation, but their value must be ascertained as near as posſible. The same regulation prevails in free goods for exportation; such as ironmongery, cutlery, crookedlane wares, — which are frequently valued at a round sum; — and I verily believe full as often under as over valued. — I repeat that those few free goods bear not the proportion of 5 to 100 to all bounty, certificate and duty articles; so that the inaccuracy alluded to either the one way or the other, can differ

but very little, nor can this trifling difference be ascertained whether it makes for or against the balance of trade which T. Paine endeavours to knock down at once by his futile reasonings.

He cites the example of a convoy from the Mediterranean having been taken and many other British ships also; this is very natural in time of war and cannot be avoided, of course it must lesen the quantity of imports and consequently the real balance of trade, — perhaps for that single year, which however is soon ballanced again by the preceding or following average years; but here P. — if he wanted to prove any thing or even to establish an objection to the general rule, ought first to have studied the nature of commerce in general; which is carried on by a variety of rules.

For example a merchant trades in three different ways which determine the facts pro or contra. — First for his own account and risk. — Secondly for his correspondents account and risk; — and thirdly on divided account and risk, or on half or more or less share. Among all the British homebound cargoes which are taken, there may be one half if not $\frac{2}{3}$ or more merchandise on consignment; that is, for colonial and foreign account; and if consignment goods are insured, a great part of them is generally done in foreign countries, where the premium is not quite

so high as in England. — Thus the nation looses only the duty and commiſsion on all consignment goods; but by no means their value, as several opposition writers, in imitation of Tom Paine, endeavour to insinuate.

As to the difference those cargoes taken in war time, make in the custom-house books on the side of imports, — it is fully, nay more than over balanced by the temporary stagnation in the exports of British manufactures especially in the present war. On the average calculation of British exports from 1785 to 1790 we find the exports. —

To Holland, Flanders and Germany	3500000 Sterl.
To France since the last commercial treaty	1400000 —
To Spain - - - - -	1500000 —
Italy - - - - - -	900000 —
Turkey - - - - -	750000 —
Coasts - - - - -	500000 —
	L. 8,550000 —

Above eight millions sterling; which is nearly half of what has been annually exported to foreign countries in the last years before the French revolution.

Now, if we reckon the stagnation of exports, for all the Italian, Spanish, Dutch and Flanders coasts, allowing one half thereof to find its way by indirect conveyances through Hamburg, Lisbon, Leghorn, &c. there will remain a temporary stagnation of exports

of near four millions sterling which will find their markets in the following, or certainly in the first years of peace, including the quantities, deficient in the manufactures during a long war. The losses experienced by cargoes homeward-bound, are overbalanced by the usual quantities less exported; for it must be considered, that during a time when nearly all the manufacturies of France, Flanders, Holland, and Part of Germany and Italy are either totally destroyed or at a stand; that English manufactured goods, would be ordered in double, triple and quadruple quantities if a free course of trade were allowed between the beligerent powers. If after this unexampled war, the English commerce should survive the threatened destruction of Paine and his associates which more than five hundred to one but it will, — the exports of British manufactures will in all probability be double or triple to what they ever have been in the most prosperous period; because the demands for British goods will be so much the greater when the free trafic and import is made direct to the different countries, which are now supplied but very sparingly by circuitous channels.

The above statement of the stagnation of British exports, might be objected to, as it appears by the report of Lord Auckland in Parliament 1796 — that exports have been considerably increasing during

the war; but this increase is not so much in the British Manufactures, as in the double and triple quantities of East and West India productions, — the fruits of the destruction of the Dutch, French and Spanish trade.

What must an enlightened Public think of the following superficial reasoning of Mr. Morgan, Nephew to the late celebrated Dr. Price?

"If it could be proved that national property "increases in proportion as taxes multiply, what "encouragement might not be derived from the "prospect before us? The adherents of administra- "tion might then triumph with good reason in "our growing prosperity and war be justly re- "presented as more beneficial to a country, than "the most flourishing years of peace. But it has "hitherto been found from experience that the "addition of every new tax, is so far a "diminution of the *general-mass of* "*wealth*, and instead of encreasing the "property, that it always aggravates the "distress of the country!„ — How is this diminution of the general mass of wealth to be accounted for? — or do the many thousands, and hundreds of thousands people composing, and concerned in the British fleets and armies perhaps not belong to the British Nation? If it cannot be denied that they do belong to the British nation, nor that they receive the produce of our taxes, how can

Mr. Morgan then venture to maintain, that the taxes diminish the general mafs of our wealth???

Mr. Morgan in his Additional facts to the people of Great Britain section IV on the general state of the nation, endeavours to stagger the people of Great Britain respecting the encrease of imports and exports which he asserts to be merely artificial owing to the naval stores imported and to the millions of gold-coin exported to subsidize our allies. Yet which of our allies has been subsidized in 1797 when the exportation has increased to the enormous sum of 29,217,945 L. Sterl. and the importation decreased to 16,998,231L. Sterl. — although every packet during the whole year and to the present time, has brought from 10 to 50,000L. St. in gold and silver, on account of the high exchanges occasioned by the great ballance of trade in favor of England. Mr. Morgan in order to prove his assertion about the fallacy of imports says:

"In the year 1788 when we were represented "to be at the height of our prosperity, the ex- "ports and imports amounted only to 36,151,000L. "whilst the custums produced 3,767,000L. In "the year 1795 the exports and imports are "stated to amount to 49,447,000L. and those "very customs have produced only 3,247,000L. "so that the one is increased above thirteen "millions, while the other is diminished 620,000L.

"Leaving these contradictions to be reconciled by "those who are more interested then myself in "deceiving the Nation &c.,,

Had Mr. Morgan been a mercantile man, he might easily have reconciled his apparent contradiction to the people of Great Britain without any interested motives of deceiving the nation. He might have explained to them, that the British government annually pays enormous sums in bounties and premiums to the British merchants and manufacturers, for the general encouragement of trade. That in consequence, the larger the orders for drawback, bounty and premium articles are, the greater must be the exportation, of course the greater the bounties &ct., flowing into the pockets of thousands concerned in the shipping of those goods, by which the duties must necessarily be diminished in proportion as the export trade has been flourishing above the import trade. Whether Mr. Morgan might from his own natural sagacity not have conceived such reasons, or whether he might not have asked a merchant for an explanation, before he attempted to stagger Englishmen with a plausible contradiction I shall leave the Public to decide. I have no interested motives to raise the suspicion of the public mal a propos; and there surely can be no good reason to withhold the true explanation, of supposed contradictions or national deceptions.

For the farther illustration and proof of our great increase in the balance of trade. — Let us proceed to

3d.

The National-Debt.

Continuation.

This is the terrible rock on which the credit, commerce and prosperity of England is in a short time to split, if we believe the numerous prognostications at home and abroad. When a nation begins to emerge from slavery and bondage to liberty and freedom, extraordinary exertions are necessary which require extraordinary expences. — Hence the chief origin of national debts; altho it cannot be doubted but sovereigns less despotic than those of Asia or Africa first gave the example of raising money on national domains; yet the first Republics established a system of anticipation on national securities, by loans, contributions &c.; but many administrators of finance, have found their respective schemes destructive to their countries. France and America furnish-recent and striking examples.

Many have raised money with facility this way, but few have been able to do it on regular and solid principles. — If we consider the French Mississippe and the English South-Sea schemes;

and the extraordinary facility of raising millions in a short time on the most delusive of all principles, a kind of lottery speculation, we need not wonder that great sums of money have through necessity been raised on the security of national revenues. — In this Great-Britain ranks the first of all nations ancient and modern.

Now here arises the great question: Whether Great-Britain has raised money from all parts of the world, to its own progressive destruction or to its own welfare? This we shall more minutely answer after having examined

4th.

The Bank-Debts.

Every nation that has risen to any degree of consequence in the mercantile and political world, has ever found the necessity of some point of Union and circulating medium in order to facilitate and encrease its commercial concerns. —

Those points of union were the establishments of banks, exchanges, and bills of exchange, or paper money, to represent the value of bullion and merchandise for the more easy transfer of the same between distant places. I will not enter into the

history of their establishment but briefly mention the beginning of the banks now existing in Europe.

St. Creorges Bank of Genoa.

The first of credit we find was established at Genoa; called St. Georges Bank in the fourteenth century: In 1740 this little republic by entering into an expensive war, exhausted its funds and credit and the bank was obliged to stop payment in 1746 — and has never since been able to recover itself, — from the most natural of all causes, — the want of national resources.

Bank of Venice.

The next was the bank of Venice in 1587 the rules and regulations of which were afterwards adopted in the banks of Amsterdam and Hamburg, with some few variations.

Bank of Amsterdam.

In 1609 the bank of Amsterdam was established, and has been considered the first, safest and richest bank in Europe, having a continual flux and reflux with the principal trading nations on the Continent, in 1672 it suffered a run from suspicion, and the public were kept in suspense, by counting out small sums of money altho it had received it all in bags: — in 1790 its credit be-

gan to totter from the same causes that had affected the bank of Venice, soon after its establishment, — viz the great aristocratical influence which had almost the entire disposal of its capital.

The connexion of the bank of Amsterdam with the government of Holland to whom, and on whose responsibility it had made advances at different times, was however kept secret from the public &c. which may be supposed the chief reason of the long and undisturbed credit it enjoyed —

Hamburg Bank.

In 1619 the principal merchants of Hamburg established a bank and chiefly followed the rules of the Venetian and Amsterdam banks.

From various causes this bank suffered several times in its credit, but by a firm and prudent direction it has kept its course as a secondary planet, in respect to that of Amsterdam.

At the commencement of the French revolution, it began to take the lead and supercede that of Amsterdam in credit and reputation; and at present it is unquestionably the first, safest and richest bank, on the whole Continent: owing to the amazing changes which the present war has produced on the face of Europe.

Nurenberg.

In 1621 was created the bank, which with that of Stockholm established in 1657 is of the secondary rank.

London Bank.

In the year 1694 the London bank was established with a fund of 1,200,000 L. but on the renewal of the charter this fund was augmented to 11,000,000 Sterling: — a capital sufficient to have superceded all the banks in Europe: — had not our happy geographical situation confined its operations within its own empire.

The Vienna bank was founded in 1703 with 4,000,000 Florins, for the gradual discharge of a debt of 40,000,000 at 4, 5, and more pr. cent interest. In 1704 the fund was increased to $5\frac{1}{2}$ millions and all interest lessened to 5 per cent, and afterwards it was reduced to 4 p. cent. This I believe is the only European bank, that has the least connexion with merchants or commercial concerns. — It might be improved in its system much to the advantage of the Imperial dominions, if it were made to answer the chief end, of all other banks viz to aid and assist commerce. — There are some other banks, of less note and credit, viz at Naples there are five, (viz) banco dello spirito santo, —

Banco di Poviri, — Banco della Pieta, Banco di St. Eligio. — Banco di St. Giacoms and some others of leſs note. — In the same rank may be also reckoned the

Altona Bank.

Which will never make a respectable figure in the commercial world as long as Hamburg remains a free Imperial city, and anseatic town.

Copenhagen Bank.

The chief bank in the Danish dominions is that at Copenhagen: which was established in 1736 and certainly claims its rank in the second order.

Petessburg Bank

established in the beginning of 1798, under the direction of some nobles; but the fund of it, nor yet its constitution are known to the Public. Most of those inferior banks, were established not only for the purpose of commerce, but also to preserve a standard value in the gold and silver money, which from the great variety of coins of the different Princes on the Continent, was so debased, that any particular country issuing the basest coins, took unfair advantage on the fair dealings of the other; — hence it became neceſsary for those countries in order to preserve a sterling value in their current coins to establish

Banks where all species are taken at their intrinsic value only — and hence to prevent their own pure coin from being exported or melted down by individuals, they issued and permitted the circulation of baser coins of so many pr. cent lefs value which difference gave rise to the term Agio i-e the difference in value between bank and current money, or between genuine and debased currency.

For instance, at Amsterdam many years before the revolution, the common current coin used to be always from 1 to 5 pr. cent worse than bank money: but a short time prior to the revolution the current coin was several pr. cent better because the real situation of the bank was suspected, and it was afterwards thought neceſsary to publish it, in order to prevent that suspicion from spreading too far, and perhaps from mining its credit.

To enter into a long history or to illustrate the great and many advantages, the Bank of England has at various times gained, -- to detail the opportunities it has always had; and still has to employ with prudence and safety its capital to great profit, is not my present purpose. In some future period I may perhaps shew the world what the Bank of England has really done, and what it is capable at all times to do in furthering the welfare of trade and government, — in increasing its own credit and the prosperity of the nation.

I content myself at present to prove that Old England would not have been that wealthy renowned nation, holding the first rank among the powers of Europe, and of the world by its riches, agriculture, manufactures, commerce, and navigation; if the rich inhabitants, had not gone hand in hand with the policy of government, which through their means was enabled to plan and execute measures superior to any nation in the Universe. Before the establishment of the bank these means could not be put in execution, but by periodical and uncertain (of course feeble) succour, which since its foundation is become a certain medium of reciprocal resource between the Government and the Nation, — for when either of the two were in need of assistance, they could more easily supply each other through the medium of the Bank, without enfeebling the power of the one, or the resources of the other. It is the great State-engine of equipoise, to move the nerves of the country in proportion to the necessary strength of a government, such as the constitution absolutely requires for the support of its own dignity in the scale of Europe and the welfare of the nation.

The Bank of England may be compared to the skeleton of a stout man, — set in motion by the nerves sinews and muscles of the nation, to assist government with one strong arm in case of necessity, and

reserve the other for the use of the nation — whereas government in return is obliged to support the credit of that nation with a strong hand, for its own existence, — and the prosperity of all.

This was the case some years ago, when government issued commercial bills to assist all men of property during a tempory stagnation of the circulating coin, which is termed by the sagacious Paine a rot of bankruptcy.

The real causes of this stagnation I shall state when we come to illustrate the foundation of public credit. Had the bank of England been a mere deposit bank, like those of Amsterdam, and Hamburg, all the sagacity of the directors, proprietors, financers &c. could not have assisted the calls of government, nor have afforded the least utility to the nation by the chaotic giant composed of gold, silver, jewels &c., unleſs the directors, or bank jailors would follow the example of the Burgomasters of Amsterdam — who used to connive to let the prisoners escape in a dark night in order to assist their cidevant — High mightinesses in a storm. But what has all this secret assistance availed to a government, wanting in policy and not knowing how to adopt a proper prudent use of it for its own advantage or for that of the nation?

This once so formidable Batavian republic has so much degenerated in its policy of applying its strength to self-preservation as to have become like

This

the Italian States' tributary to the French republic. And why? For want of policy in its internal resources to apply them for its own protection in proper time. The present terrible war is a fatal example of this want of national foresight. — I repeat that the want of this proper policy and foresight in a government will inevitably draw upon a country all the horrid disasters of war, and prevent its succefs and glory. — I allow that the most successful war may be more or less destructive to any country, but as the love of power, ambition and envy exists between nations, wars will be waged to the end of time, and cannot always be avoided by the most pacific sovereigns, especially by those which have a great deal at stake and are become the object of envy to their neighbours. Had not Mr. Pitt before and during the present war by the prudent consent of the Bank-directors applied in proper time, part of the gold and silver lying dead at the Bank, and with it prepared the nation to meet the French, who, in case of some unforeseen disaster happening to our fleets might have become as powerful by sea, as they are by land, the gentlemen in the opposition would have been the first to impeach the minister for neglect of duty. *

* A general notion prevails on the Continent even among persons who might and ought to be better informed (viz) "that the boundleſs and imperious "ambition of England, has dragged all the Powers

Had Mr. Necker been something like Mr. Pitt, and shewn a proper degree of firmneſs in resisting the too complying disposition of Louis, which brought

"of Europe into this horrid broil, to fight their own "wars." I know this was the language of Robespierre and it was repeated by his succeſsors the jacobins, who re-ecchoed it all over Europe, and thereby many persons of the greatest moderation and intelligence have been misled; nay they have insisted on it as a fact, that it was England which rallied together and formed the grand federation at Pilnitz: but they seemed to have forgotten the name the English Minister there. Is it not notorious that during two years after this federation, England remained neuter, and was the first and foremost to acknowledge the first French constitution, in which they had solemnly sworn never to make conquests.

But being dragged into the war by a declaration of Brifsot Feby 2. 1793, then, and not till then did England join in the general cause which it supported with becoming dignity, in order to rouse the spirits of the Allies, in their selfdefence against the common enemy, which openly threatened all the governments of Europe with destruction. Whatever disasters happened to the unfortunate inhabitants in the remote parts of France (which by the bye were showered down on their devoted heads by the desperate factions) it was brought on them by the „gold of Pitt,„ who was the omnipresent cause of all, — when the furious Ru-

him and family to the scaffold, I say had Mr. Necker shewn a becoming resolution, he would have preserved the throne for his King, the King

lers carried bloodshed and devastation among the inoffensive inhabitants.

Another mistaken notion, which I have often heard "that the poor King of France deserved his "fate, because he accepted the new constitution, and "afterwards deserted it.„ The fact is Louis 16 did not accept the new constitution before he quitted Paris on the 21 June 1791; it was accepted on the 15 Septr. when the National-Assembly annulled all proceed ings respecting the King's departure. — It is also well known that he was not allowed to exercise his Veto, altho' it was solemnly decreed to belong to his prerogatives. — He prefered quitting the country, — rather than be exposed with his whole family to the daily insults of a savage populace. It is true that at the general federation on the Champ de Mars July 14, 1790 the King took a general oath to maintain the laws &c. of his Kingdom, (still consisting in his own will and pleasure;) but which thousands had broken before and millions have done before and since his flight.

Many men of sense would have acted in the same manner to avoid the opprobrious insults of a frantic populace. Even after he had candidly subscribed to the new constitution — did not the Mob, because the King had exercised his veto as was solemnly granted — break into the palace of the

for the people, and also the lives of millions of innocent beings. —

But that dreadful conflict is past, — and the advocates for predestination say, it could not be avoided!

Let us as Englishmen however one and all resist the only thing which can destroy or obstruct the preservation or prosperity of Old England, I mean internal hatred, dissention and division; — These may, nay must be avoided in the hour of danger, as the only enemy, dreadful to the national happineſs and prosperity of Great-Britain. Keep them in check and Englishmen will hold in derision all the high sounding threats and despicable manoeuvres of France. — But as to the subject of Bank debts, I have argued for the necessity of a policy, that the rich and monied men of the nation ought directly, or through the facilitating medium of the great State engine (viz) the Bank of England, to assist with part of their property

Thuileries, force the cap of liberty on his head and make him cry vive la nation! — By such insults, what mind would not have been oppreſsed? poor man he was bewildered in the many contradictory counsels he daily received: — hence he was accused of weakneſs, and pusillanimity; but he gave sufficient proof of his heroic, princely fortitude and courage in the awful scene of immolation. — He convinced the world that he poſseſsed all the virtues which constitute the dignity of the human mind: but which had not before been put to the trial!

to strengthen the arms of government for the protection of the whole common weal, as much as they *ought* to resist the impolicy of any king or minister wishing to lay violent hands on, or using compulsive measures to get at one single hundred pounds, intrusted to the administration of the Bank.

Property, public and private, ought to be held sacred in a free country — where it is not so, — liberty cannot exist.

I am convinced of this maxim as much as any of my patriotic countrymen can possibly be, and shall ever act in defence of it; but then we ought never to lose sight of that necessary policy in government which requires only a very small part for the protection of the whole.

If Britons should refuse to co-operate with some of their property in order to preserve their all — how is it possible that government could afford protection? We always cry against taxes, without considering the absolute necessity of them; — money must be raised some way or other to defend ourselves, or else we must humbly kneel to the insolent foe. The idea of such an alternative is enough to rouse a spirit of scorn and indignation in the breast of every true Englishman!

Why not every true patriot come forward to sacrifice a share in the defence of himself, family and

fortune? It may be asked — why has our impolitic Minister brought us in this terrible situation? — But I ask you my countrymen, whether it be policy or madneſs in a traveller, when attacked on a road he has gone *safe* years before, to deliberate, why he came that road when he sees the dagger uplifted???

That a great blow is aiming at Old England for its destruction no one will doubt; but the desperadoes abroad, are never so much to be dreaded as their partizans at home.

There is not one sensible Frenchman who really believes, England could in the present situation of our sea and land forces be conquered by force of arms; — by armies, which at all times have given way to British courage.* — Buonaparte means to go a surer way to work, viz to destroy our trade, credit and finances, which manoeuvres he has practised with some succeſs in Italy. I consider the fate of all the great Banks on the Continent, except those of Vienna and Berlin which are of the second rank, to have been or are at present, entirely in the power of the French Directory, and their Commanding Generals (viz) Those of Amsterdam, Hamburg, Nurnberg, Francfurt Venice, Italy & Switzerland. The constitution of those banks prevent them from affording the least assistance for national selfdefence, or preservation; and unleſs they chuse to pay a very high ransom to the enemy

* Proved by every attack, of proportionate numbers!

for their liberty and existence, which Francfurt Hamburg and others have several times experienced. If half, or the third part of the property which the French have every where extorted with the point of the bayonet, had been sacrificed in time for national defence, many people would not now be groaning under the heavy, tyrannic yoke of pretended liberty. Look at those fine countries of France, Flanders Italy &c. the chief theaters of war. Let Britons who talk of ruin at home, cast their eyes over the once fruitful woods, flourishing fields and gardens, proud castles, domes and houses the residences of thousands of wealthy families abroad, enjoying peace comfort and happineſs; they will see them all deserted and left in ruins, the natural consequence of the various, scenes of carnage, horror and devastation, they have undergone. I say, if Englishmen could but see or conceive half of the horrors committed by the French on the Continent, they would kiſs the soil that bears them, and thank heaven and the policy of government for their protection. — It is the bad policy of governments in neglecting the means of selfpreservation, which brings so many millions of unhappy people to misery and destruction. — The bank of England from its happy constitution, is enabled to afford government, these means and to strengthen its hands, without running any hazard as to loſs of property; — for, what can be better security to the bank than that of the government, which has the national income and

revenue at its disposal? — of which it pledges the surest part for sums advanced? The whole Bank-stock was indeed originally intended for the use of the nation, through the medium of government, which pays interest for every shilling borrowed, and also allows a good premium to the Bank for all important transactions passing through its channel. Whether the affairs of the Bank are in a flourishing state, or whether they have gained great profits, by the prudent conduct of the company in their transactions, is no longer problematical. It has been established beyond a doubt by the first authority — viz by a Committee of Parliament, after a full investigation of all the books and papers of the Bank. — That there are more notes in circulation than there is cash in the Bank to answer, is a very natural circumstance and it *must* be so in order to ensure its own existence and welfare. By the means of uniting a Discount-office with a Deposit-bank, and those two with the General-bank, it cannot, or ought not avoid issuing more notes than it has cash in its vaults, and property in circulation.

In this respect the Bank of England resembles every private merchant and banker in the world, who could do little or no business if his capital were inprisoned in strong coffers, instead of gaining profits in a productive circulation. Most of them would devour their own vitals — the same

as if a mechanic would live on the sale of his working tools — and in this case the flourishing commerce of England must soon steer a lobster course.

The Bank of England being a bank of business and speculation, the less cash it has laying dead in its coffers, the more profits the company get by the rest, which is kept in productive circulation. — It is sufficient that it provides just cash enough for what the bankers call the ordinary charge of the day, and a certain sum for any extraordinary exigence. Of this sum no estimation can be made, but I suppose it may amount to twice the customary daily exigence. — If by the stratagem of a foreign and natural enemy, it happens that any unusual run is effected on the Bank, which if not stopt in time, might ruin the whole establishment, it becomes the policy of a higher power to interfere and enquire into the idle rumours, which are to undermine the foundation of our credit and welfare.

Let us suppose that in the late affair Mr. Pitt had not interfered, and that the Bank had been suffered to be run upon untill the last shilling was gone, — in what a cruel dilemma would the nation, the governement and the bank itself have been plunged? — We should have found general distraction at home universal scorn abroad in the triumph of our enemies; and no consolation or afsistance in

the pity of our best friends. A very trifling circumstance will often times give rise to a rumour, and a run upon a man in business, which must ruin his trade and reputation, and force him to break midst plenty of property dispersed abroad, if he does not find some good friends to relieve and save him from a momentary bankruptcy; but as it will happen that the real situation of a mans extensive concerns cannot be always well known until they are examined and come to be wound up, (in the mercantile phrase) the circumstance of his bankruptcy is taken generally unfair advantage of, and those very accounts and sums a float, which by prudent management would have saved herhaps above 100 per cent, (provided the credit of the bankrupt had received no such shock, or had been supported, and carried through temporary difficulties,) may often dwindle away to 10 or 5 per cent, — or perhaps to nothing, — of which I have seen many woful instances. Therefore a merchant, banker or any trading company, may, by unforeseen disasters become bankrupt, and prove very far *above insolvency*, if the concern is taken care of and supported immediately by their friends or connexions; whereas the man that meets no timely support, must yield to the shock, be made bankrupt, become insolvent and his affairs be ruined by ill management. The same causes that may ruin a private merchant, who is far from

being insolvent, must have the like effect even upon the first bank in the universe, the Bank of England; and had not Mr Pitt interfered in the late idle rumours raised by malice — had not the great mercantile body of the country hastened around it to form a bulwark for its support, the immense sums the Bank of England has a float, might have vanished away — and caused a premature ruin as it were of thousands of families. In short, the evils resulting from such a shock, would have been incalculable in their dreadful effects with regard to England and all Europe; — nay the whole mercantile Universe, would have more or less felt its violence and been shaken to its foundation, by the fall of the Bank of England. All these calamities would have been inevitable, had the wise councils of opposition been adopted, viz for the Bank to continue to pay every shilling under the specious pretext of avoiding the least blemish to its credit. But thank God! the presence of mind in the Minister and his unshaken firmness in this awful of all moments in which the welfare or ruin of Old England was at stake, has brought us safe through the dreadful storm, prepared by our enemies abroad, and seconded by those at home.

After such severe lessons of danger, let a prudent plan be invented, and a firm *commercial establishment be adopted*, by government, or

even by act of Parliament. *A Commercial Deposit Bank* hinted at in another part of this work, would prove a second corner stone to the Bank of England; — it would most effectually increase the *circulating medium*, with every possible increase of the commerce of Great Britain. The hand-in-hand operations of a *Specie and Bill Bank*, together with a *Commercial Deposit Bank*, would keep the circulating medium, and the Public credit for ever unshaken, — and defy all the attempts of times, accidents or enemies — foreign and domestic.

PUBLIC CREDIT.

Public credit is defined by T. Paine and others, to be suspicion asleep — If this definition be true, it has enjoyed a very comfortable nap in old England; and I hope it will never awake, nor be disturbed from its sweet repose by any unpleasant dreams, or by any alarms Paine & Co. may excite. But why it may not with as much propriety be defined *confidence awake*, I do, not know! — for, confidence awake, will always be enabled to keep suspicion in a sound snore — in spite of all the clamor and noise of its enemies.

But dropping the metaphor, I wish to ask intelligent men their real opinion on the natural causes — of the increase of Public credit, *such* as England has enjoyed exclusively during a number of years. I have never met with any person, or publication that could satisfy my curiosity on that point, altho the prosperity of nations mostly depends thereon; and should thus be rendered one of the most important objects for true investigation. I have bestowed some thoughts on the subject; and I find much to be said pro and contra. Altho' I cannot obtain that information I could wish,

I will venture to assign some general causes, which in my humble opinion have done more than any thing I know of, to lay the foundation of Public credit (viz)

1st The steady, firm, solid character and principles of Englishmen,

2d Their spirit of enterprise, resolution and judgment in business,

3d Their persevering industry to execute and perfect what a happy ingenuity invents, either in agriculture, mechanics, arts, sciences, manufactures, commerce or navigation —

These few have, I think, been the leading causes to a solid foundation of the Public credit of England; but they were by no means sufficient to increase and support it in that *eminent degree*, which it has been held in for some years, and still continues to enjoy.

We see daily examples in private life of the most persevering industry, ingenuity and talents burried in abject obscurity, untill fortune leads some benevolent man in power, credit and influence, to discover, recommend, protect and support it, untill finally established by reputation; — even then it needs great connexions and patronage to make it flourish, increase and multiply. It is exactly the same with nations, — but on a more extensive scale.

Had Englishmen with all their ingenuity, industry and enterprise, lived under a despotic government either monarchical or republican; or if their rulers had pursued a different policy, and neglected the great encouragement and protection of agriculture, manufactures and commerce, they would not perhaps have been of that weight and consequence in Europe, which Sweden, Denmark, Spain or Holland do at present possess.

But what has given so great, so *favorable* and *extensive a scope* — to the industry, ingenuity and enterprise of Englishmen, was most undoubtedly the repeated wants of government, by which many monied men and rich individuals have accumulated riches upon riches; — this borrowing system, — has thrown *open immense fields*, where the national genius for industry, and enterprise in commerce and navigation, can be cultivated with *facility* and prudence, to the interest and advantage of the nation at large and to the *increase of the Public credit*, by the multiplied reputation of the inhabitants in the *proportion of ten to one*. — This has been fully proved by the illustration of my IV th. Maxim of trade, page 22 to 30.

Thus, the support and increase of Public credit, after its basis has been well established, are undoubtedly —

1st The perfect security of persons and property by our happy constitution; and the equity of our laws, which admit of no partiality or distinction of men in matters of justice.

2d A wise system of political, oeconomical and commercial policy in the Government, so as to furnish opportunities for genius to exercise in agriculture commerce and navigation, — which Englishmen have carried beyond all examples of ancient and modern times, or nations, — and with a *facility*, unknown to other countries.

3d The steady, firm and prudent conduct of Ministry, in gaining and supporting the confidence of the great majority, — together with the most respectable and wealthiest part of the community.

The celebrated Montesquieu speaking of the British constitution says. "The motion of this great "State machine, springs from that continual play of "pasions, envy, jealousy and a great desire to "enrich and signalize, — which authorised by "liberty, — may shew themselves in their "full and various extent.„

This in my humble opinion is equally applicable to the Public credit of Great Britain, and to British commeree, — by adding to the word liberty — "*and encouraging opportunity*„ — which is furnished

nished to the spirit of Englishmen, by the borrowing system, called the National Debt. — Whether this Debt, has been the means of increasing the Public credit, and of furnishing wealth to the nation is my present purpose to prove — which proofs must certainly result from, and ripen into conviction by an attentive perusal of my several illustrations and arguments.

I mentioned Page 96 the support which the Executive Power afforded as in duty bound to the Public credit of Great Britain, which was affected in 1794 chiefly from the want of a circulating medium, and which the prudence and wisdom of the Minister supplied for some time by the iſsuing Commercial Bills, to every mercantile man who deposited double value into the hands of Government.

I promised to elucidate some of the most obvious causes of this short but dangerous dilemma in which British Merchants were plunged at that time.

During a profound peace, when trade and navigation goes on smoothly and without the least impediment to check the speculations and enterprise of Merchants, we know, from experience in the mercantile world, that every ten, fifteen or twenty years, a crisis in trade will occur, which generally arises from a long undis-

turbed peace, when every merchant launches out more or less into some speculations, the success of which makes him bolder and more venturous, untill he overtrades himself, or rather his capital. A number of young Houses arise in competition to old ones, and a sort of mercantile rivalship and commercial warfare takes place. The Young Merchants by emulation and the desire of making a fortune speedily, strive to outdo the Old established Houses — and per contra, these are spurred on, not to suffer themselves to be excelled by the young ones. Hence arise numerous opportunities of traffic, facilitated by Public Credit, and every man of business engages more or less in concerns rather beyond the exact proportion of his capital, in which he has been successful for some years, when Public Credit was not affected by any extraordinary occurrences, and plenty of resources lay open before him. But it often happens that the political horizon is obscured in some quarter of the Globe; that impending wars, changes of countries, favorable or unfavorable treaties of Commerce, the sudden failure of some great Merchant or Banker, most materially affects the smooth and fair trade of a country and its credit, which more or less influences the trade and credit of neighbouring or other correspondent commercial nations. Any sudden change of this kind, or even the bare apprehension of it, will operate like an electrical shock upon inflammable substances.

Untill 1794 British Commerce had gone on very smoothly for a number of years, and has since the American war, excepting the failure of some notorious Cotton speculators, which had no material or dangerous effect upon our Public credit, at home or abroad. But in the beginning of 1794 when the affairs and commerce of France began to grow more desperate by the increasing fury of the revolution, and the violent reign of aſsignats; when some British and foreign Merchants and Bankers were thrown off their guard to engage in the delusive speculations of the French exchanges, founded on the precarious, nay dangerous course of assignats, and the despotic maximum of Robespierre, — when British trade navigation and manufactures began to increase in proportion as that of France and its menaced neighbours diminished — when English merchants found themselves as it were overwhelmed with orders and consignments from all parts of the globe, the cruel want of a circulating medium most naturally produced a crisis never before experienced on the mercantile horizon of Great Britain. This crisis arising from the imperious occurrences of the times, was considerably hastened by the French invasion of Flanders, preventing all correspondence and remittances from the German Empire, Switzerland and Italy for several months. The notorious and considerable failure of Meſsrs Tepper

& Co. the court bankers at Varsovie which affected several great Merchants in Elbing Dantzig Amsterdam, Hamburg, and the whole Northern part of Germany, viz Breslaw, Frankfurth on the Oder Stetin etc. and contributed materially to undermine Public credit on the Continent, so far, that the first Merchants in Holland protested all the bills of the first Merchants in Germany Sweden Denmark & Rufsia, because the alarm had spread around so wide and to such a degree, that no body had confidence in his next door neighbour.

Matters being thus situated on the Continent, was it to be wondered at that British Merchants waited in vain for remittances long overdue, which caused an immediate and considerable stagnation in busineſs and shut up as it were all the Extra resources of mercantile men, those of private discounts. Hence the Bank and Bankers were overwhelmed with English bills for discount to a degree never before experienced; and the Bank Directors, who always go by certain rules to discount for every man a discretionary sum (and the bills on every House in proportion to the Credit they, or their first Discount clerk supposes due to their acceptances,) began to accelerate the general distreſs, by refusing to discount the bills viz to exchange their notes for those of the first rate London Houses.

By relating these facts I do not mean to cast the least reflexion on the character of the Bank Directors; they found themselves in a situation perfectly new; and followed only their old established regulations in trust for all the Bank-stock proprietors. However the consequences might have proved woefully fatal to the welfare of the Country, if Government had not soon interfered; as several Merchants proved by their books a bona fide property of 40 to 60 shillings in the pound, and yet were obliged to stop payment for want of realizing their bills, and effects, which would ultimately have caused their ruin, if the Commercial bills had not been issued in time to their relief, by which they were enabled to realize full 50 per Cent on their merchandize or moveable property and thus enable to weather the storm that must have been their destruction. Let this severe, this most dangerous and costly of all lessons prove a proper warning and precaution for future times and generations in Great Britain!

Bank Credit and Paper Credit are the solid foundation of Public credit.

Every Bank, public trading Company, or even the establishment of any private mercantile House, be their capital ever so large or ever so small, cannot transact any extensive and advantageous busineſs, without a certain proportion of Public credit. It may be said that a large capital will always command public credit; but this assertion lays but in a very narrow compaſs; for, let a mans fortune be ever so large, and let it be known, that, as a man of busineſs he be of an ignorant, extravagant, gaming or unfair dealing character, his money will command but little credit; — whereas per contra, a man of little or no capital, but of reknown honesty, industry, solid principles, and cleverness in busineſs, will have much more credit at command than the man we put in contrast with him. With those personal requisites, the poor man will acquire respectability, and by fair dealings obtain good connexions, and lucrative transactions, when his purse proud antagonist will be looked upon with shyneſs and suspicion.

On the very same principles is the Public credit of any Bank or trading Company to be established, maintained and extended; or, on the contrary its credit will gradually decline to ruin, if the solidity of its basis, regulations and dealings, or the capacity and honor of its managers, begin to be suspected. Whether a trading individual or a trading company, the succeſs in buſineſs will greatly depend on maintaining that regular proportion, between the capital and the extent of trade, and these two points again, must bear their proportionate share of Public credit. The best mercantile establishment with a small capital, may be ruined by too great a proportion, of very good buſineſs, which may croud in as it were upon the proprietors or managers, so very fast that, their money being afloat, they find themselves in many and great difficulties in the midst of plenty of property; but adroitness and good fortune may often supply a speedy circulating medium. The manner of this representation of property on a solid and necessary foundation has been shewn already page 21 and 22 by the 3 and 4 maxims of trade; but here we proceed to the real and proper application of the same. The representatives of any property or intrinsic value, we have proved to be the books of a Deposit Bank, of great trading Companies: Bills of exchange Bank-notes, Bonds, Notes of hand, Bills of lading &c. all of which do properly and fairly constitute a cir-

culating medium for the expedition and convenience of commerce. If this circulating medium did not exist, we could not carry on any business with equal expedition, nor to the same amazing extent. Hence results this alternative: either we must have circulating specie, to the full amount of circulating merchandize; or, we must confine our transactions to the very narrow, and cumbersome method of barter alone, as did our ancestors, among whom the use of money was unknown. Any modern French philosopher would no doubt advise the latter. This was sufficently evinced by the admired speeches of their great legislators on the creation of assignats, when one of the learned members proposed pieces of leather stampt, to supply the circulating medium of property, on the philosophical principle, that the value of every thing originated in, — and maintained itself by human fancy!

The attentive reader will therfore agree with me, that every circulating medium, ought to bear a full proportion at least to the property it represents, interchanges or barters; but as it would be found impossible, impolitic and ruinous with great trading individuals, companies or countries, to provide and to hold as much specie, as they interchange property, the deficiency ought for obvious reasons to be supplied by a circu-

lating medium, founded on that incontrovertible maxim, of property being capable to be represented! But for the still greater facility of trade and intercourse between individuals and nations, every method of such representation of property may, agreeable to the 4th maxim be turned to double, tripple or even greater advantage. This principle furnishes us the key and pillar stone for, and also the chain of connexion between, paper credit, paper money and public credit; which the cunning Mr Paine calls a "Hanging together of money and paper" and which his ingenuity is at a loss to devine how long it may continue! "because it daily exposes the system "(meaning finance and trade) to sudden death indepen- "dent of the natural death it would otherwise suffer! "and here he should have added for proof of his "assertion, that sudden deaths of Public credit are "unavoidable in every country, where *revolution and "revolutionising* is the standing order of the "day!!!" Not even a ratio of progressive destruction would apply to the impending ruin of such nations and governments. A ratio of mathematical certainty will however apply, to teach Mesrs Paine &, Co, the real "Hanging together of money and paper" in a fair dealing honorable nation, and under a well regulated Government. This ratio among merchants and private traders will stand good, not only from one to five but to ten viz. One or one hundred thousand

pounds capital (no matter what sum) will bear an honorable extent of trade, from five and five hundred thousand to L 10,000 or L 1,000,000. Great public trading Companies can, and often must go beyond this ratio; but public Banks, and banking houses, generally deal after the ratio of one to three and five, which they can do with great safety to all engagements public and private. If any Bank or banker become insolvent, they must have gone far beyond it, or have involved themselves in speculations out of the general rules of prudence established among them in their general system of banking.

Every private or public bank may therefore with great safety and within the general limits of a prudent banking system, iſsue its notes to the amount of three times their real capital; and indeed they cannot well do leſs, if they are not confined to a mere deposit or pawn-trade, or wish not to be of general utility to the finances and commerce of the country and of inviduals, as well as of a reasonable advantage to themselves; nay according to a general calculation, any bank or banker may extend his ratio very well from 1 to 5 -- viz to extend his trade to five times the amount of his fund, and with the greatest safety too, if it is done by the established rules of precaution, and have tolerable quick returns of circulating capital. The great object is to employ the cash and the circulating medium in such a manner

as to command immediate resources on any extraordinary occurrences of sudden distreſs or difficulties, when the common charge of the day, as it is ſtiled in the banking trade, is by no means ſufficient to ſupply the demands. For inſtance the news of bad ſucceſs in war prevents the uſual expected remittances to be made or to be received, — hinders the diſcount of bills and the ſales of ſtock; becauſe the monied men are become ſhy and keep back at leaſt for a ſhort time, untill they ſee the effects of the apprehended ſtorm. In every ſuch, or ſimilar caſes, the tradeſman, manufacturer and merchant runs to his banker for relief, and the bankers finding themſelves *overrun*, and they themſelves with the principal merchants ſeek relief at the bank of the country; and it often happens that bankers having overloaded themſelves with diſcouuts in order to oblige their cuſtomers as well as their own pockets, cannot go on with their uſual charge of the day, but muſt apply to ſome of their intimate mercantile friends keeping accounts at the bank, to get their bills diſcounted at the ſame rate they themſelves had taken them. Thus in a great commercial city and country, as London and England, if the public bank would confine itſelf to a mere deposit or pawn-trade, as that of Hamburg and Amſterdam, it could afford not the leaſt aſſiſtance to the great wheel of trade, which would undoubtedly embarraſs the intercourſe of buſineſs and affect private and public credit very

materially. Though it may neither be necessary nor political, to suffer any public bank of small commercial states or republics, such as Holland, Hamburg or those of Italy, to be any ways connected with, or dependent from their respective governments, on account of the extreme delicacy of public credit; yet on the other hand we find by sad experience, that this very public credit, which is generally supposed to thrive best and grow strongest on pure republican soil, existing only by its own laws and rules, is often thrown into a speedy decline and galloping consumption merely from the circumstance, that such free, yet limitted Governments are without any means to afford protection even to themselves; — much less to any public banks or other mercantile establishments within their dominions. Hence Public credit, nay trade itself, flies from the unprotected soil of freedom much faster, than it could possibly have been *reared there;* and thus, the same means which originally constituted the strength ond independence of the bank and its public credit, are not only too feeble to maintain it, but contain the seeds of its own and speedy destruction in every war and dispute among sovereigns, and in every change of the political system of Europe. Even the strictet neutrality, or the vilest submission and sacrifices of such States, afford them little or no protection; but on the contrary keep them in continual danger of fresh

chicane and total ruin. We have before our eyes the sad and recent examples of the Bank of Amsterdam, allowed by most men to have been the greatest and most accredited bank in Europe; but ask the most englightened or even the republican Dutch merchants and legislators, how their great bank, their trade and credit thrives at present in the pure democratic garden of Batavia, nursed by gallic influence, sway or despotism? The Bank of Venice established on similar independent principles, how it kept tottering during the French invasion in Italy, and untill it came under the protection of the Austrian Monarch? At present its credit seems to stand higher again, than it has done for this last half century. But the rest of the banks in Italy under the fostering influence of French liberty, will thrive as little as the impossibility is found great to re-establish any bank or public confidence within the center of democratic intrigues, factions and despotism, the boasted Capital, or even in any part of republican France, in spite of the Great Nation itself! The bank of Hamburg owes its present greatnefs and credit, not to its democratic constitution, but chiefly to the rapid decline of the Dutch and the Italian banks, — having become the principal channel of Continental and English trade, which flies before French tyranny and destruction to the nearest place of safety. Whatever the solidity of the bank of Hamburg may be in time of a profound peace

and notwithstanding all the ingenious arguments for praise the celebrated Professor Busch, has bestowed on its constitution in his numerous writings, I am firmly persuaded, that its solidity and public credit would have been much endangered and become very precarious during this war, had the Dutch republic not existed to receive the first violent shocks of French embrace, — intended for the North of Germany; but the seven Provinces furnished such a field for conjuration of property, that it required the presence of one of the first French conjurors, the celebrated Seyes, and occupied the cunning of the whole convention for some time, — giving to the Cabinet of Berlin a respite to engender the famous demarcation peace, which split asunder the remains of that once famed and valorous integrity of the German Empire.

The first cravings of Gallic cupidity having been satiated in Holland, I believed Hamburg pretty safe, on considering its peculiar happy geographical situation, which bears no analogy to any other petty republic in the world. And it is this happy local situation, that furnishes a great probability for the future safety and credit of the bank, in the neutrality of which all the mighty surrounding monarchies are too deeply interested, to suffer it to be conquered and kept by any one European power. The Emperor, King of Prussia, Landgrave

of Hesse-Cassel, Duke of Brunswic and all the petty States of Germany, the Kings of Denmark and Sweden, the Emperor of Russia — all are interested in its neutrality; for the trade of their raw materials and produces which they cannot consume would be all lost to them — and those articles of foreign countries, which they must have for consumption, almost as much as any necessaries of life, would be interdicted them by the invasion of Hamburg and the river Elbe. This peculiar situation of Hamburg, I look upon to be more the foundation of the solidity of its bank and credit, than independency of constitution, could guaranty to such a small territory, intended for mere staple and agency trade.

The constitution of the Bank of England cannot possibly be judged after that of any other bank in the Universe, as it bears no analogy or the least comparison with any one of them, — neither in point of locality, magnitude, funds, resources, engagements, importance or territorial government. Sound policy absolutely requires a reciprocal intercourse and assistance between government and the great State engine (the bank,) for the safety of the constitution and the security and prosperity of agriculture, trade and navigation: and in proportion as these furnish wealth to the nation by the powerful protection of govern-

ment, the State machine of this wealth, ought on every urgent occasion to furnish the means of this protection to the executive government, — or the whole beautiful fabric of Britain's pride and the admiration, of the world must sink into ruin, contempt, and (what must make every son of Britain shudder —) into abject slavery of a foreign enemy!

Hence, from all those important considerations most naturally results — That the great variety and extent of British trade and navigation, more than that of any other country, absolutely requires a circulating medium between the Specie and the Merchandise of the Land — fully adapted to its growing magnitude. That the chief engines of this circulating medium ought to be a proportionate *Bank* and *Paper Credit* — supplying and supporting all Public Credit protected by the Constitution in general, but by the Policy of the Executive Government in particular-where in return it ought to pay a proper tribute of gratitude for the security it enjoys in the British realm more than in any other nation. —

The Circulating Medium.

This term has of late years only been heard within the walls of Parliament in the debates on finance and commerce; but the real definition thereof I could never get explained to my satisfaction. With submission therefore to those learned men in Parliament, who use the same, I shall attempt a short illustration on the variety and extent of its meaning and proper application. This is the more necessary, as I have all along endeavoured to agree with my readers beforehand on the true sense, of political and mercantile expressions made use of in our arguments.

The circulating medium consists of various direct and indirect ways and means of accommodation, representing property and payment, in commerce and all other transactions, exchanges and transfers of real property. For instance, on the sale of a cargo of merchandize, the direct means of a circulating medium between

buyer and seller would be the full amount of the sale to be paid down in specie; but if this was always to be required in the immense concerns and interchanges of British merchants, trade would prove very difficult and embarrassing: hence the indirect means of the circulating medium have been very properly introduced, and consist of Bills of exchange, Notes of hand, Drafts, or any instrument expressive of conditional payment. The sale of a house or estate and lands, is likewise effected by indirect means, such as Bonds; Mortgage-deeds, Engagements, viz — the sales of ships, by charter parties, bottomry etc. The circulating medium between the purchasers of the immense quantities of India goods, and the India Company, consists in warrants paid, representing the real property sold, which indirect means, the holder may on any emergency soon convert into direct ones, viz to borrow nearly their value in specie, from his bankers or any of his friends. Stocks are sold by the indirect medium of Scrip, Warrants and Transfers, and really paid for by the direct representatives of cash, such as Bank-Notes, India, Exchequer and Navy bills; by the two last of which Government also anticipates the enjoyment of the revenues of the country. However it is necessary to remark that all other instruments Bills and Notes, excepting Bank-Notes, purporting payment at a future day, are subject to the usual discount: thus, Bank bills in this sense must al-

ways be considered as cash itself, because it can be converted into cash, or the value of cash, every moment during the hours of business.

Without the circulating medium of coin, and its direct and indirect ways of representing coin, the sale and transfer of large, heavy and bulky property of one million value would be very embarrassing indeed, and be reduced to a mere barter exceedingly difficult to be effected: for, the sale of one million worth of merchandize, or immovable property, absolutely requires a circulating medium between buyers and sellers to the very same amount to settle the transaction.

It would be folly, nay ruinous madness for any trader, merchant, banker or any banking-house, to settle every transaction with ready specie, supposing the circulating quantity of the country, sufficient; because if it were not for the various indirect means of the circulating medium necessarily supported by Public credit, half the profits of most men's business would shrink by the costs and great trouble of keeping so much ready specie always at home: but the loss it must occasion to the country at large, would be extreme, by the expences of issuing such quantities of specie, and the diminution it would be exposed to, by clipping or filing. Besides great quantities would soon find their way into foreign

countries, as a mere article of traffic, the consequence of which would be still more ruinous if Government were at any time, or from any cause to recall the old, and issue a new coinage. All intelligent mercantile men will therefore agree with me in the following maxim, viz Sound mercantile policy forbids any mercantile country to issue more specie of its own, than is barely necessary for a direct mean of a circulating medium. To prove this by a string of observations would lead me too far at present, but at a future period, and perhaps in the second part of this work I may resume this subject more at large. Every thing of this nature requires much reflection and the test of experience by long practice. Though my own experience is founded but on a few years practice, still it is from this practice alone that my observations are deduced. It is a subject worthy of the consideration of every Briton-welwisher to his country; but more especially the serious attention of British Legislators and Ministers. I consider this subject as a new and wide field, well worth the cultivation of great merchants bankers and financiers; therefore, I shall content myself at present with having thrown out a few hints and undigested rules on this subject, in hopes that some more experienced men may throw fresh lights or the matter, so as to fix, by mathematical demonstration from real practice, some certain principles of theory to guide us and future genera-

tions. The welfare of the country greatly depends upon it, because it may assist very materially in the formation and ripening of a plan, the most desirable for all Englishmen, viz, to pay off the national debt by a *still speedier* gradation than the sinking fund has hitherto evinced, or can possibly effect. I shall now conclude this subject with a general remark obvious to every understanding. If the total amount of British trade, has proved by the several custom-house books — to be within these last twenty years between 30 and 50 Millions Sterling annually, and the total amount of the circulating specie, of these realms within the last twenty years, proved by the publications of Mylord Auckland and the late, first secretary to the Board of Trade and Plantations, George Chalmers Esqr to have only been between twenty millions Sterling or thereabouts; if these statements I say are exact, or only nearly exact, which no man has I believe any reason to question, then it is as clear as noon day, that the late embarrafsments of the Bank and Merchants could not possibly be avoided; nay it became a matter of astonishment to me, that those embarrafsments and difficulties were not greater and more frequent, which from the imperious nature of the circumstance might be expected.

It is equally wonderful to me that all those difficulties have been so very soon overcome, with so

little hurt to the Public credit of the country; and which can only be ascribed to the prudent, firm and precautionary measures adopted by Ministers in the critical hour. Fifteen or twenty years ago, if from fifteen to twenty millions specie were employed in the common annual transactions of the country, and the annual trade of the British realms amounting to about 30 Millions sterling, how is it reasonably to be supposed, that after such a wonderfull increase of near 20 Millions value in our annual commerce, the same direct circulating medium of 15 or 20 Millions cash, could be sufficient for the annual transactions of commerce of near 50 Millions of value, besides the common transactions of the country, which I suppose must employ almost one third of all the English circulating coin.

Here let Opposition cry out, "oh how the country is ruined!" The fact is, that from the brillant and rapid successes of our Fleets, the encrease of British trade has been so very rapid, and multiplied the transactions of the country and Government to such a degree, that neither Ministers nor Merchants could be aware of the natural effect it must produce on the old circulating medium of the country, which has of course been found inadequate. The rapidity of this progression being new in the annals of the world, as much as that of the French

revolution, no mortal man could have foreseen and provided against those short difficulties, which have caused so much ringing the tocsin of alarm by opposition writers. This is however a very good, instructive lesson for Statesmen, Bank-directors and Merchants, to keep always a watchful eye on this subject, even in the midst of our prosperity. I have before hinted at a plan for a perpetual circulating medium to provide against all future difficulties, and to assist very materially in paying off the National debt by a *still* speedier progression; and should my avocations grant me leisure enough properly to digest it by calculation, or that I might receive any particular encouragement and assistance from men of power and experience, I should cheerfully undertake this labor for the general good and welfare of my country.

True Patriotism,
the foundation of Public Spirit!

It is a matter of pride and astonishment that the small Isles of Great Britain and Ireland, should be the only spots in this wide world, where the meaning of patriotism is best understood, felt and practised; as for the real signification of Public spirit — there is no European language that I know ony thing of, into which the true meaning of the two words Public spirit could be translated; and this fact is confirmed by all Foreigners the least acquainted with the genius of the English tongue. This singular circumstance alone, trifling as it may appear to a superficial observer, would be a proof positive of the superior freedom which Britons enjoy over the rest of the Universe, if so many other self-evident marks of welfare did not confirm my assertion. As to those unfortunate countries now under the sway of the five reigning successors to Henry the IV in the Palace of Luxemburg at Paris, all

their former patriotism, even that valorous spirit of Batavia and Helvetia so renowned of old, seems to be shifted into abject submission or military subordination to French commissaries and soldiers: for it is martial law that creates and annihilates all public authorities such as municipalities, central departments, courts of justice, legislative councils and executive directories: it is martial law that elects, instals and deposes again all the true or pretended patriots of the different subjected nations. The spirit of invading and plundering old England, after successfully desolating half the Continent, has been very powerfull among the Franks; but the real Public spirit of Britons having convinced the world, that those pretended sons of liberty would meet nothing but avenging, instead of open arms, all over Great Britain, their blustering ardor is pretty well cooled and sunk into military parade of preparation, marching and countermarching; all of which, instead of causing any alarm to the English patriots, only produces smiles of contempt upon so much gallic fanfaronade.

It was a beautiful sight in France at the breaking out of the revolution to see so many thousands of citizens forming themselves into National guards to break through their chains, and seek the road to liberty; to reform the great abuses crept into the administration; but helas how egregious have these novices erred in their way! what an amazing contrast bet-

ween English and French liberty! * How much more beautiful, more noble and sublime is the prospect in Britain, to behold all the free born sons of the country in arms, animated by a public spirit unknown to other nations, defending that *liberty* which has stood a *trial of ages*, — and established a *prosperity* among its industrious inhabitants, that has risen the envy and admiration of all the Earth.

Britannia's valor hail! — By *Public spirit* knighted
All English hearts are bound — each Britons honor plighted;
Gods applauding, witness it! — Britannia's Fair delighted!
Bright sons of Liberty, pray, pray keep well united!
Fight hand in hand, — fight bold and brave
The *Country's Cause*, — the *Land* to save,
For *King* and *Law*, — untill the grave.
Should Worlds in arms — Britannia's foes declare
By *Public Spirit* foil'd, — disgrace would be their share.

* All the childern of Britannia are citizens and kings; because the king himself is Father and the first citizen. Every inhabitant may say and do what he pleases, except what should be excepted, the preaching of rebellion and the violation of all other laws. In the boasted republic of France, all speeches and writings stand under the inquisition of the Police, the worst office of censure in the Universe; whereas in England the meaning of such an Office is hardly yet known!

High and Low Interests and Exchanges.

As the value of every thing in this world is fixt by the price of money, so is the value of money ascertained by the standard of annual interest; but both the price of the commodity, and the value of money are for ever ruled by the unerring maxim of page 15 — agreeable to *use and consumption*, — its scarcety or plenty. However the interests can only fluctuate within the limits of the laws, prescribed in different countries

Therefore, "use and consumption — scarcity "and plenty," are the first and principal causes of the fluctuation of Interests and Exchanges, and must never be lost sight of, whatever specious appearances against it might be operated by secondary causes, or transient occurrences. I shall point out the most frequent of such secondary causes, which may influence the principal and first cause; — or in other words, the general rule affected by inevitable exceptions.

It is pretty obvious, that during every war, such exceptions to the principal rule must occur more frequently than in time of peace; therefore I need not to recapitulate all those mischances and occurrences occasioned by warlike operations, but briefly to mention, that all revolutions, invasions, conquests; all losses by land and by sea, great failures, loans and great mercantile speculations, will naturally affect both the interests and the exchanges of money — whether in the same country or between distant trading nations.

To be the more clearly understood in my illustrations I think it necessary to divide the arguments between **Interests** and **Exchanges.**

In the best regulated States, the standard of Interests is ascertained by law; in others, especially in small trading communities, the Interests chiefly depend on the private agreements between individuals; but what has some times been a matter of surprise to me, that even in such towns and countries where Interests are fixt by law or custom, the discounts are fluctuating from 1 to 10 per Cent above the usual interests; although in fact interest and discount are synonymous, however different they seem in expression. I hope my readers, especially all the mercantile clafs will perfectly comprehend what analogy the word Discount bears to that of Interest; yet as there may be some learned Gen-

tlemen, who might find no satisfactory explanation in Johnson's Dictionary, nor wish to take the trouble to refer to one on this occasion, I beg leave just to say, that discount, is a species of mercantile interest, or allowance on prompt payment either for goods, on money due at a future day, and for bills of exchange or promissory notes. There is a sort of mercantile abatement for prompt payment of goods, which is not regulated by the English laws but merely by mercantile customs, — for instance all such merchandises as bear from 1 to 5 per Cent discount for one to six months credit; because there never was an instance that a man was indicted or fined for usury in taking five, or even more per Cent allowance instead of 4 or 6 Months credit; though the discount or interest at 5 per Cent for 6 Months time of any sum or bill of exchange, would most undoubtedly come within the statute against Usury.

In another part of this work it is sufficiently proved, that the great increase of gold and silver has alone reduced the value of money from time to time, which occasioned the various acts of Parliament in England for the reduction of Interests. Similar ordinances have been issued in the different countries of Europe, where any regulations of Interests existed.

Indeed it is a most serious concern to the Government of every State, but more especially to

that of England, carefully to watch, trace, and ascertain the encrease of Gold and Silver in Europe, and thereby to regulate the amazing interests which are annually paid by the English Nation on the National Debt.

It has been found worthy the attention of the State to regulate the encrease and sale of corn and sugar, — two commodities very different in their use — the one as supplying an article of want, the other providing an item of luxury to mankind. Thus, in my humble opinion, if a point of mere luxury which the world could very well dispense with, has deserved the attention of the Legislature, or that of His Majesty's Privy Council, it is of much, and infinite more and importance to mankind in general; particularly to the welfare of Great Britain, *to provide some regulations for the increase of Gold and Silver and to ascertain its decreasing value by some average estimate of corn and provisions.* I am perfectly aware that a number of Stock-holders, spurred by the customary hue and cry of Opposition, would raise a great clamor against any reduction of interest on funded property, holding forth the great injustice and perhaps the great perfidy of ministers in breaking the original compact between the State and the Money lenders, and the subsequent purchasers of Stock. Page 53 I have mentioned in the

discussion of the National Debt, a second condition which necessarily arises from the first, viz.

> "Government to pay an interest fixed, or an "*equivalent* in proportion to the intrin-"sic value of the capital, raised at the time of the contract."

This I conceived in the strictest sense of honor and justice to be the real bargain of the State with its Creditors. If these terms are complyed with, no man in his senses can reasonably complain of either injustice or perfidy in Government, on a judicious reduction of interest in real proportion to the instrinsic value of the capital borrowed. Supposing a second America were to be discovered tomorrow, and gold and silver were to be poured into Europe in a double or triple proportion, so as to reduce its intrinsic value to, or 2 per Cent Interest in the common transactions of life, — where would be the just and reasonable man to insist, that Government, should pay him 4 per Cent on his Stock? * If there would be great

* The State of Hamburg, and several other petty States of the Continent pay only from 2, 2 ¼ to 2 ½ per Cent interest, though the discount of bills and notes rises some times to 14 per Cent and may perhaps go still higher. Nothing proves the greater destruction of trade more than low discounts in every commercial country. In Am-

injustice in doing so, it certainly must be equally unfair to insist on 4 per Cent Interest when the great increase of these two finer metals and the proportionate prices of corn and provisions in Europe, clearly prove the intrinsic value to be scarcely 3 per Cent at the close of the 18 th century. It may be objected, that a number of persons would lose part of their usual income! True and plausible as this objection may appear, it is nevertheless certain that no State can be required to maintain a numerous class of individuals

sterdam for instance, discounts at and below 2 ½ per Cent have been common since the revolution, though some ignorant Jacobins cry it out as a flourishing instance of plenty of money. Money is the only *Tool* of the Dutch to gain money; but this tool or instrument of prosperity seems to have lost above half its productive circulation and may be had very cheap in Holland, since the revolution.

Yet whenever a country or any commercial place is arrived at a certain degree of ruin, and discounts and interests rise above all reasonable proportion of trade and Navigation, — or rather when all trade and navigation are nearly at a stand, in both these cases, its clearly proves the extreme poverty of such countries. For example at Paris, Bordeaux and several other great towns in France, interest has been paid very often from 3 to 6 per Cent a Month during this wonderful revolution.

duals in perpetual idleneſs at the expence of the industrious and laborious claſs of the nation, merely from a *complaisant punctilio*, as it were, to overlook the most material *changes of times and circumstances*, to which all things in this sublunary would must yield obedience. Let us for a moment suppose the National Debt to have been contracted in any other kind of merchandize, besides bullion, which had decreased to above 3 or 4 times below its original value since the first contract, by its progressive increasing quantities; — silk for instance, which at the first discovery of its use, was above the value of gold. The contract specifies to pay 4 ℔ for 100 ℔ weight annually in kind, or an equivalent for its intrinsic value. Let us farther suppose, that during one century the article of Silk decreases in value so far, that nearly 3 or 400 ℔ weight may be bought at present for what 100 ℔ weight have cost 100 years ago, — would the State or Government in such a case, be obliged to pay the value of 12 or 16 ℔ present interest for every 100 ℔, agreeable to its intrinsic value a century since? — or would it be thought more reasonable, and analogous to times and circumstances, that only the present value of 4 ℔ per 100 ℔ should be paid on the original quantities borrowed from the richer part of the Nation? I believe every man of common sense will vote for the latter payment. We are exactly in the same

situation with the National Debt having been contracted in Bullion instead of silk or other merchandize, which from custom might have been made the standard of payment, just the same as the two metals of Gold and Silver; but which by their progressive increase and less consumption than all other things, are not exactly the fittest for this purpose; at least they are not so exact and certain as the long average standards of corn and provision, the first necessaries for life and consumption.

This opinion of mine, as an individual neither known to, nor connected with any Parties whatsoever, can surely not be called a Ministerial opinion; nor can it be condemned by Opposition, because the celebrated *Junius*, the head and leader of as formidable an opposition as ever existed in Great Britain, recommended a reduction of interest, in his very first Letter to the Public dated 21 Jany 1769. in arraigning the affairs of the nation under the administration of a Grafton, North, Weymouth, Hilsborough etc. At some future period I may perhaps resume this important subject, to press it more closely on the minds of Ministers. At present I shall content myself with observing, that whenever this desirable object, of reducing the National interest with the expenditure, takes really place, the justice and equity of the Administration will doubtless be mindful of all superannuated and other disqualified

individuals who derive their sole support from the national interest. As to all others, not even the female clafs ought to be excepted, if they are any ways able for some occupation in life. If the Queen and Princesses of the Land, and the higher female Nobles, employ their time in needlework, embroidering, drawing, painting etc. perhaps as much for a laudable oeconomy as for their amusement, why should not those Males and Females in an humbler sphere of life, and who chiefly live by the interest of the funds, strive to employ their time in some genteel occupation for their own benefit, as much as for their amusement? Besides, almost every man, whether a first lender or subsequent purchaser, by laying out his money in the funds, knows as wel as I do, that he makes a speculation for lofs or gain; and if all the chances of profits, arising from times and circumstances, are for his sole account and advantage, he surely ought to take in good part, all the mischances deriving from the same uncontroulable times and circumstances,— which may also cause him a capital gain. Hence, if the value of money, should from any cause whatsoever, rapidly decline to 1 per Cent, I am firmly persuaded that Government would not be bound in honor, justice and equity, to pay more of the national interest, than the actual value of money for the time being.

Regarding the different interests of different countries, fixt either by law or custom, their regulations seem not to apply to any discount of bills or notes, in several capital and mercantile towns of Europe; for during the years of 1793 to the present times, prime Bills have been discounted in Hambro, Frankfort, Vienna and several other towns from 5 to 15 per Cent without the most distant supposition of usury. From this circumstance. I have great reason to infer, that if the discounts of *Notes* and *Bills* in England did not come under the regulation of the Statutes against usury, but were left to the natural fluctuation between plenty and scarcity of cash and paper, that not one instance in twenty, we should hear complaints of *scarcity* of cash in London or England, the first trading country in the Universe. From the great number of monied men, who partly live by discounts — and partly make it a partial business in London and other places, the want of money would almost disappear! — for I suppose that from $\frac{1}{4}$ to $\frac{1}{2}$ Million Sterling per day, lays always unemployed as spare-cash in the Bank and different banking houses, watching for favorable opportunities to be disposed of to advantage. Therefore in time of profound peace the different Money and Discount brokers are always hunting after Paper for discount, — which is often taken under the maximum of 5 per Cent; nay all prime paper

(meaning that of respectable Drawers, Acceptors or Indorsers) will some times be sought after at 4 per Cent or perhaps $\frac{1}{16}$, $\frac{1}{8}$ or $\frac{1}{4}$ more; because the funds do not always offer so many fluctuations or opportunities of employing money to greater advantage. — But in time of war, when the arrival of almost every mail, brings some real or fictious good or bad news, every money holder keeps on the watch to make some thing more, by a temporary speculation in the funds, than be can do by mere discount; — yet if some seriously bad tidings arrive, which generally preſs down the stocks more or leſs, there are hardly any private discounts to be effected at 5 per Cent; because the monied men naturally seek for a larger per Centage at the Stock-exchange. This never fails to create some distreſs among merchants who have payments to make and cannot dispose of their bills at 5 per Cent abatement by private discounts. At all such periods, bankers are generally overrun by their customers — and having served them as far as they could, — they themselves must have recourse to discount at the Bank, through some of their friends. Hence, the numberleſs and unusual applications at the Bank for discounting bills, — where perhaps the Parties had never been heard of before; — hence, the suspicion of the Bankdirectors on the quantity of paper poured into the Bank — as the Ne plus ultra resource for British merchants: and whenever this very last

resource is shut to a number of solid persons, who have their bills thrown out by the ordinary rules of the Bank, *the distreſs and suspicion becomes general* — and Public credit — the Bulwark of British commerce is put at stake, for the mere punctilious observance of the ancient system, in spite of any material changes of times and circumstances in trade and navigation.

Hence, one of the most important considerations arises to ascertain,

> whether it might not prove a superior mercantile policy, to permit a free and natural rise and fall of discount, to all mercantile bills and promisory notes, for the effectual relief of merchants — than expose the Public Credit of the country to defamation and ruin, — in every occurrence of political mischance, or mercantile disappointment?

Ministers need not fear that a field of usury might be opened on this occasion, much larger than has been cultivated already under the existing laws against it. People of known respectability in life would not expose themselves in nefarious practices to ruin their reputation any more than they have done hitherto; but persons of dubious characters, will certainly continue to avoid the existing laws against usury by their old and welknown practices. Therefore

I am inclined to suppose, that a free and natural fluctuation of discounts in England, would not only prevent the frequent embarrassments in the mercantile world, but tend most materially to diminish the opportunities and *temptations for gambling in the public funds*, — which has never been considered, even as a necessary evil; — but as an evil against which hitherto no effectual remedy has been found by sound State policy.

Here I shall beg leave to conclude my present remarks on High and Low Interests, Discounts etc. and briefly touch upon the point of, High and Low Exchanges, which I suppose will only be interesting to those immediately concerned in drawing or remitting. Nevertheless, this subject is one of *the most important* for the study and consideration of every Statesman and Legislator, as much as it concerns every Merchant, all forming the collective advantage of the country at large. Though nations and individuals may gain or lose millions by high or low Exchanges, yet I do not recollect this business ever to have been exposed to the immediate attention of any State in Europe, although it deserves a particular notice from every wel regulated Government.

To give my readers some idea of the great importance of this object, I shall just state the following facts. During the year 1795 when the French were about to invade Holland and the

Allies kept retreating before them; — when several concomittant causes, — such as the supplies sent abroad, the heavy bills drawn upon the treasury by our Commissary General with the English army, the loſs of magazines and other disastrous occurrences, forced the Exchanges of Flanders, Holland and Germany upon England from that height to which the fair Balance of our Trade had never risen them before the year 1794, at that period I say, a mediate or immediate interposition would have been highly necessary; yet as the case was perfectly new to Administration; and perhaps none of our great mercantile men, nor any of the Bankdirectors, nor perhaps the Board of Trade and Plantation to whose cognizance it ought to have been brought, nor perhaps Mr. Brook Watson himself, who from the difficulty of his situation might be glad to draw on any terms, — did call the attention of Government, to this important evil, which was generally felt, universally complained of, and nevertheless, no steps were taken to lessen it. Hence, during the whole summer and autumn of 1795 when the English army was encamped near Delmenhorst not far from Bremen, all the Flanders and Dutch trade being transferred to, and pressing still farther on the Exchanges from Hamburg and Bremen to England, the evil instead of leſsening from the natural effects of the rapid encrease of commerce with England, was still farther aggravated

by the multiplied, injudicious and heavy drafts on the Treasury, which from various distressing combinations on the Continent, were passed by Brook Watson Esqr, in the best manner (as I should suppose at least) he possibly could, to realize them, without having time to consider the important consequences, — which might ensue - viz the farther pressing down of the Hambro' Exchange *below Par* to an alarming degree.

I was at first in doubt of the propriety of stating those facts thus publicly; but on reflecting that all the affairs of England may very well bear open day light and be investigated by the world at large; — that human errors which may have been committed in any branch of public administration (for no man nor country can pretend to perfection) may, by a public investigation be avoided for the future, and thus prove at last beneficial to mankind; under these considerations I venture to demonstrate my assertions by a short public calculation, which was transmitted from Cuxhaven in Augst 1795 to an illustrious Personage of this kingdom, to call the attention of Ministers to this important point; however as the English forces left the Continent about 3 months after, I suppose this advice came too late for remedy.

Example. One pound fine Gold contains 44½ Guineas; and 1 Guinea is equal to 156 Esches of Cologne weight. Hence a quantity of Gold Bars bought in London.

viz	23,333⅓ Ounces at L. 3. 17. 6.	
1/11 Alloy	2,121 do for Standard Gold	L. 90,416-13-4
	25,454⅓ would have cost	
Charges for Minting estimated at the Tower rates, viz 1 ounce Gold at 6s 6d or about 7/10 per Cent (which at Birmingham might have been done cheaper) is - - -	632-16-1	
Do. for Alloy, Shipping, Freight, Insurance at most 3 per Cent - - -	2712-9-7.	3345-5-8
Total expence and costs of this Quantity of Gold and Costs -		L. 93,761-19—

The Exchanges from the Head Quarters near Bremen were fluctuating from 520 to 540 Dollars per 100 L. Sterl. during 1795-96, which were governed by those of Hamburgh — and though some large Bills were passed under this low rate (the established Par being Dollars 608 p. L. 100 Sterl.) I shall allow the average of all the sums the Army really received for all the Sterling value drawn at 530 Dollars per 100 L. Sterl. Thus the above Costs of L. 93,761-19. makes at 530 Dollars

average Exchange, 496,938 5/8 Dollars, and at 5 D. 97,559 Louisdor.

Whereas the above quantity of 25,454 1/3 Ounces of fine Standard Gold at the established rates of one ounce producing 579 Eshes or Grains of Cologne weight — (of which 124 Grains make a Louis, Frederic or Charles d'or) would have produced at net quantity of - 118,855L.F&Cd'or for the payment of our Armies abroad. The costs of this sum as above shewn would have been but L. 93,761 - 19 to be renderd at the armies; and its whole produce according to the extraordinary low rate of exchange 530 Dollars for L 100 Sterl. was only 97,559L.F&Cd'or

Thus a full saving of L. F & C d'or 21,296

in every hundred thousand, or rather in every L 93,762 which would have been an object of 15 to 20 per Cent.

Hence let any Gentleman who is able to ascertain the total amount of all sums drawn on the Treasury, estimate the enormous loſs to Government — which is but small in comparison to the loſs, the Country suffered in its trade and navigation during a twelvemonth and more. If we compute the whole

export concern for that year at,	25	Millions
and all the imports at	20	—
The Navigation branch at	5	—
The Bill Amount independent of the payments for imports and exports only at	10	—
Makes the whole Capital	60	—

Sixty Millions Sterl. for business transacted with the the World — one third of which we may fairly suppose to have gone through the channels of Northern Europe, and been settled at the above mentioned low rates of Exchange. Thus supposing only 15 per Cent loss (full 10 per Cent of which were below Par) of what might fairly have been obtained, at the exchanges of the preceding year, there results a disadvantage to Old England of 1½ Millions Sterling on its Trade, Navigation and Bill concern with Europe, besides the loss on the sums that were drawn on the Treasury for the use of the English and Imperial Armies.

The enormous sums England has however gained by the Exchanges alone during the last century, above the established pars, I hope to estimate as near as the magnitude of the subject will admit, and as soon as I am enabled to collect all the rates of Exchange for that purpose; — which together with several other important objects will be given in the second Part of the present publication.

Estimate Calculation of the British Navigation including the Carrying-trade, valued as per Account exhibited in the House of Lords on the 2nd May 1796, by Mylord Auckland, Member of His Majestsys Honorable Privy Council *.

	Years	Ships	Tons
Number of British ships entered in the Ports of England and Scotland during	1795	10,174	1,262,568
Do---cleared outwards	1795	10,133	1,064,910
	Total ships	20,307.	Ts. 2,327,478

Since that time, the Cape of Good Hope, the Island of Trinidad and the Dutch Spice Islands, have been poſseſsed by the British forces — which must have encreased our Trade, so as to make the amount of Tons little short of three Millions, if not more. I shall however confine myself to the Report of Lord Auckland, which no body will dispute, because it is taken from the registers of the Custom-houses in the different Ports of Great Britain.

* This Estimate of British Prosperity is not included in the Balance of Trade as hitherto ascertained.

The number of Veſsels, or rather Burthen in Tons.

These I shall divide into six claſses (viz)

	Freight Pr. Ton. L. — L.	Average
1 — The East India trade, the Coast of Africa, St. Helena and China.	12 to 16	14 L.
2 — The West India, America, Newfoundland Canada, Greenland and Southern Whale Fisheries.	6 to 12	9 L.
3 — The Mediterranean (viz) Straits, Coasts of Spain, France, Italy, Sardinia, Levant and Turkey trade.	4 to 8	6 L.
4 — The Baltic (viz) Swedish, Danish, Norwegian, Lubec, Finland, Pruſsian and Ruſsian trade.	4 to 8	6 L.
5 — The Atlantic (viz) Spain, Portugal, Bay of Biscay and Madeira trade.	3 to 6	4 L.
6 — The Channel and North Sea (viz) France, Flanders, Holland, Friesland, Bremen, Hamburg etc.	1 to 4	2½ L.
		42 L.
Average of six divisions		7 L.

1 — Average charge of freights from the nearest to the farthest foreign parts on 2,327,478 tons of British ships instead of 7 L. per Ton I will suppose 5L. on the whole British-carrying Trade for the year 1795	12,137,390
2 — Of Custom and Excise Fees, Bill and Lightmoney Pilotage, Brokerage etc. on 20,307 British ships at 15 L.	304,605
3 — Of Insurances on this Number of ships valued at 500L. each, viz 1,015,300 in lieu of 7 say 5 per Cent.	507,675
4 — Ditto, on the estimated freight of 12,137,350 at 5 per Cent.	606,870
5 — The total value of Export trade, being always insured with 5 to 10 per Cent profit. Thus the whole British trade of 1795 amounting to 49,447,000L. I value the insurance — only at 50 millions (including 653,000 L. profit) on the average estimate of 5 per Cent.	2,500,000

Carried over L. 10,056,540.

Brought over L. 16,056,540

6 — The gross Customs and Excise on all the Imports and Exports, including the Alien duties, I shall estimate at 10 pCt. average, on 50 Millions * gross amount of Commerce — — — 5,000,000

Total Estimate of British Trade etc. L. 21,056,540

This amount cannot astonish the experienced Merchant, because the English, *trade* and insure, not only from England to all parts of the world; but, also from one part to another, *all the world over;* — which foreign and indirect trade, I shall estimate seperately. Insurance premiums in time of war generally exceed the freight; and the lowest estimate as above, is 7 per Cent, of which I only allow 5 per Cent, altho' I may venture to say, that the lowest average premium on British Insurance in time of war would above that rate.

* The average Estimate for any losses of the Underwriters, for Drawbacks, Bounties, Premius etc. etc. I shall give by a seperate Table in the second part of this work, viz: on the winding up all real Affairs of *Briton & Comp.* — of which a short Simile has been given from page 60 to 65.

Estimate of sundry Branches of National Profits not valued in the usual Balance of Trade, especielly the British indirect Commerce

With the East Indies, China, Coast of Africa, America. the West Indies, Newfoundland, Davies straits Hudsons Bay, Greenland and all the English Colonies and Settements abroad, including the British Fisheries, which generally yield from 50 to 100 pr.Cent. The produce of the Newfoundland fishery is carried to Spain, Portugal and Italy, for which remittances are made in Bills, and the returning cargoes consisting of Wines, Fruits and Drugs, are drawn for, as distinct Branches of Trade, by the Merchants not engaged in the Fisheries. Thus the whole amount of Fish, Oil, Blubber, and Whalebone, sold abroad which is very considerable and profitable, as also the Slave trade must be added to the Balance of Trade.

7. Hence I believe the total value of English commerce called the indirect Trade including freight, insurances etc. is under estimated at least one fourth of the whole British Direct-trade in 1795 viz. the fourth proportion of 50 Millions. is L. 12,500,000 at 25 pCt. clear profit. *)	3,125,000

*) As it is notorious, that some of our Fisheries yield some times hundreds pCt. profits, the same as the most distant Adventures to the East and West, I have much under valued Item 7, at 25 pCt.

Borought over - - - - 3,125,000

8. The Profits, of the Royal Exchange, Sun, Phoenix and other Fire-Insurance offices which are well known to insure all over the Continent of Europe in time of peace, and even in all our distant Colonies and Settlements; together with the foreign Insurances on Single and Double Lives travelling, abroad and other risks, I venture to estimate, including Policies, Stamps etc. at the annual average of - - - 1,000,000

NB. In this sum is included the interest of the amount of Premium, in going abroad again for damages; which interest may be fairly calculated for one year each time

9. As there are always a greater number of Foreigners travelling in Great Britain than there are English on the Continent; and as they must pay for their pleasure and living much dearer in proportion to the high Duties, Excise, Taxes etc. than Englishmen do abroad, I shall estimate the surplus at 5000 only, who spend L. 100 each for pleasure and living; and about L. 100 more for Jewellery, Muslins, Silks, Clothes, Shoes, Boots, Stockings, Hats, with which most persons visiting England provide themselves; also more or lefs with Books, Prints, Caricatures Watches etc. *

Carried over - - - £. 4,125,000

* Every Foreigner from the highest to the lowest, strives to appear in the English faskions, on arrival here; which is quite the contrary with Englishmen abroad.

Brought over - - - - 4,125,000

Thus the English fashions for excellent workmanship are become renowned abroad. English travellers on the contrary take all their necessaries of these kinds abroad with them or send for them afterwards, A number of foreigners also do the same, through their friends and correspondents, which things are generally forwarded in small parcels by Passengers, by the Captains, Mates etc. of Vessels, and never appear in the Custom-house books.

Thus I take the estimate of the 5000 surplus Travellers as above at - - 1,000,000

NB. The English Ministers, Consuls and other Families residing abroad must be squared in their Expences with all the Foreign Ministers, Consuls, Families, and single Gentlemen residing in Great Britain, and mostly in London, where they pay double and triple for every thing, to what is paid abroad in living in equal style -

Whether the English horses, harnesses, bridles, sadles and carriages sent abroad singly, for Noblemen and Gentlemen, are entered and valued in the Custom house books, or not - I am not certain. But from what I have seen on the Continent I should estimate them at half a Million St. p. A. 5,125,000

Brought over - - - - 5,125,000

This I will not however include here, on the supposition that it may be entered and valued among the exports.

10. The revenues of the Foreign Post-Office, from the considerable balance of British postages with the rest of the Universe, I compute at the rate of 25,000 Letters p. week on the lowest charge of 1 *s.* 6 *d.* for every single Letter; and the profits and earning of our several Packets, — including the Fees and Salaries of all persons employed in this branch of Administration, at - - - 150,000

Estimate of 4 Items - - L. 5,275,00
Do. Do. of 6 Items - 21,056,5400

Total - - L 26,331,540

NB. Many British Merchants engage in private Adventures to the East Indies by the Ships expedited from Ostend, Emden, Hambro, Coppenhagen and other places; and we may easily suppose for the sake of considerable profits, which howewer are not valued in the above Estimate.

Estimate of Foreign Trade
and the Number of Foreign Ships that enter the British Ports.

We have before proved from Ld. Aucklands Report that the number of British ships which entered in, and cleared outwards, in 1795 viz the 3*d*. year of the war of the French Revolution, amounted to 20,307 ships, carrying 2,427,478 Tons according to the Register of all the Custom-house books in Great Britain.

This being the case in time of war when more neutral vessels than ever trade to, and from England, (because the French endeavour to shut the chief Ports of the Continent against the British carrying Trade;) we may reasonably suppose, more than one third in proportion to the whole Number of ships trading to England, to belong to Neutral States in Europe and to America (viz) 6769 ships 809,156 Tons.

This may be considered as greatly under-valued, because such a number of Neutral ships alone are employed to carry British Merchandize directly to foreign Parts,* and return a much smaller proportion of foreign growth and produce to England, which except some few raw materials (viz) Cotton etc. indispensible in the British manufactures, are forbidden to be imported from a third Port in time of war.

* The French decree for seizing all Neutral ships with English goods, is greatly in favor of our Carrying Trade.

But to keep my estimate within bounds, I shall only suppose, one third foreign vessels-and their freight instead of 5 L., I will say 4 L. pr. Ton which on 809159 Tons is 3,236,624 L.

This number of foreign vessels, I shall suppose the cargoes entirely for Foreign account, because the proportion of them exported in British ships, will certainly overbalance the proportion of goods for English Account, imported in Foreign Ships. — Of this mercantile distinction I wish my Readers to take particular notice, because it is the principal key, to the real Balance of trade. Without this important distinction we can never arrive at the real increase and magnitude of British commerce. I do not recollect that either in or out of Parliament, any person (however well informed in respect to practical commercial knowledge)to have given an idea on this most essential point concerning the account of English and Foreign Vessels, employed in English commerce.

1. Thus I take the same average charge as with the British ships (viz) of Custom-house fees, bill and light money, pilotage, brokerage etc. on 6769 foreign ships at L 15 each — coming and going - L. 101,535

2. Of the above sum of total freight we may deduct for ships-provisions, expences of the Captains and crews, who generally lay out the greatest part of their wages to

Brought forward - - - - - - - - 101,535

take something of British manufactures home to their Families and friends, or for the purpose of trafic, neither of which appears on the Custom house books, tho trivial in the abstract it is an object of consideration when taken collectively per Annum at 15 pr.Cent, which they spend and leave in England viz - - - - - 485,493

3. Average insurance on the number of foreign ships valued at 400 L each-2707600 L. full half of which is viz 1353800 insured in England at 3 pr.Cent only - - - - 40,614

4. Average Insurance on the cargoes in the proportion of one third of the value of British (viz) of 50 millions - 16,666,666 one half of which I suppose insured in England we will instead of 5 say 4 pC. - 333,333

NB. These cargoes I suppose to consist chiefly of merchandize entered for exportation of which it could not be possible to include the value in the above 50 Millions of the British Trade. Altho' this state of Foreign trade may be supposed already valued in the amount of Insurances for British exports and imports, — still not having made any allowance for that of British Insurance on Foreign goods entered for Exportation

Carried over - - - £. 960.975

Brought over - - - - -	960975
(insured home and out again) I think the estimate not exagerated in reckoning the half amount of the whole proportion of Foreign trade for British Insurances at 4 instead of 5 pr.C. average Premium.	
5. We are next to estimate the number of foreign ships and cargoes insured in England, which go from one Foreign port to another all over the world — The number of Foreign ships trading to, and from Ireland, together with their Cargoes which at the proportion of the whole Foreign trade to England (viz) L. 16,666,666 for cargoes would be considerably under valued at 5 pr.C. — the indirect Insurances being always dearer	833,333
6. The same estimate for the above number of Foreign ships viz 6796 at 400 L. value each is 2038800 L. at 5 pr.C. average premium	101,940
Total of foreign Trade -	1,896,248

NB. BRITON et Co. or any other commercial House on making the annual balance of profit and lofs, *must* attend to the following points,

1st To value all goods and raw materials imported for its account and in its own bottoms, at the Market prices abroad, where they were purchased;

2ly All charges, Fees, Duties and Agencies of mere transport goods, entered for exportation, and of which its Warehouses are the general Depositaries for a certain time.

3ly All freights made for Imports and Exports of such Ships as it keeps in constant service.

4ly If the said House *insures its own risks and receives its own customs, excise, fees, stamps, postages and all incidental charges*, surely it keeps a seperate Account for each, and values them among its real annual profits, among which the *negociation of its own bills abroad*, will not shine the *least conspicuous*.

Average estimate

of the

Quantity of Gold and Silver

imported to Europe, since the Discovery of America.

Also of the Produce of the European Mines.

The continent of America was discovered in 1492. The Spaniards took posseſsion of the north and west part of South America in the year 1533. In the chief city of the province of Peru viz Cusco, the residence of the Kings Incas they found immense treasures: We know from certain records, that not only the walls of the public buildings and dwellings of the chiefs were covered with gold, but they were also ornamented with emeralds, and other precious stones. The temple of the Sun contained millions of riches, which in comparison to the cidevant chappel of Loretto, was a Bank of England to a small country Bank: It is even doubted whether the Temple of Solomon contained any thing near the quantity of maſsive gold and silver which was found in this temple. Here were seven large fountains, the basons and pipes of which were of solid gold. The immense riches of these two metals alone, which the Spaniards brought

to Europe during the first year of their taking poſseſsion may by justly estimated at five years valuation of the whole annual produce of the Mines; which certainly were not worked to that extent by the natives as they have since been by the Spaniards. But let it by recollected that prior to the discovery, as there was no trade, there was no exportation of this metal, consequently all that was found in the mines, and all the gold dust in the rivers, or on the coasts etc., was heaped up together in maſses, and fabricated into common utensils; hence both these metals were considered nearly in the same light during several centuries, as tin, copper, and iron etc. are at present by the Europeans. Thus, the following statements I hope will lead us pretty near the truth, of those average quantities, which I look upon as the annual increase of the two finest metals.

A Table

of gold and Silver, imported from the Spanish and Portuguese poſſeſsions in America, between the year 1748 and 1753, taken from the official Registers of both countries and comparing them with the late importations, the average quantities prove nearly of the same proportion.

Silver and Gold-Bullion imported to Spain between April 1748 and April 1753.

		Pezos: Silver	*Pezos: Gold.*
from	Vera Cruz	58,906,083	,473,976
	Carthagena	5,011,972	10,195,052
	Havannah	1,098,551	,252,524
	Caraccas	,314,620	25,408
	Mara Caibo and Honduras	,408,728	,170,936
	South Seas	7,631,772	2,924,453
	Buenos Ayres	2,825,872	1,173,836
Total import in 5 years		76,197,598	15,216,185
Average p. Annum - . .		15,239,519	3,043,237
I am aſsured by the authority of a respectable Merchant who resided many years at Cadiz and Lisbon, that the annual secret importation in both countries of Silver, is about $\frac{1}{5}$ and of $\frac{1}{6}$ Gold part, which never appears in the public registers		$\frac{1}{5}$ - 3,047,904	$\frac{1}{6}$ - 507,206
Total Average - - -	L.	18,287,423	3,550,443

Gold Bullion imported to Portugal between 23 January 1748 and 16 Januay 1753.

	Crusados Gold.	
Rio de Janeiro - - -	60,517,226	
Bohia de todos Los Santos	9,022,970	
Grand Parah - - - - -	213,749	
Fernambucco - - - - -	2,770,462	
Total import in 5 years	72,524407	Crusados
Average p. Annum - -	14,504,881	
Secret importation $\frac{1}{6}$ -	2,417,480	
	16,922,361	Crusados

Reduction in English Money.

	Pezos	*oz Troy*	*Pezos*	*oz Troy*	℔ *Troy*		*Silver*
Spain	1000 Silver =	$867\frac{1}{2}$ and	18,287,423 =	$15,864,349\frac{127}{1000}$ =	$1,322,029\frac{1}{2}$ at 3 L. *s* p. ℔ =	3,966,088	Value in Sterl.
	16000 Gold =	$867\frac{1}{2}$ and	3,550,443 =	$193,000\frac{9202}{16000}$ =	$16,083\frac{1}{3}$ at 46 *f* 10 *s* p. ℔ =	747,874	Gold Value in Sterl.
	Crusados	℔ *Troy*	*Crusados*		℔ *Troy*		
Portugal	416 Gold =	1 - and	16,922,361	— — — — — —	$4067\frac{1}{8}$ at 46 *f* 10 *s* p. ℔ =	1891390	

Annual Importation in Sterling value 6,605,352

Total amount from 1533 to 1797 = 264 years - - - -		1,743,812,928
In estimating the quantity found there on taking possession of the Country at 5 years value of import to Europe it is - - - -		33026760
Total import during 264 years to Europe from America -		
Carried over - L.		1,776,839,688

Gold and Silver of Europe, Asia and Africa.

Brought up		1,776,839,688
Annual value from the mines in Transilvania, in the Mount Dawns, Schemnitz and Kremnitz as delivered in the Imperial Mints, amounts to 4 millions florins which at 9 p. L. Sterling make - - - -	444,444	
The Gold mines of Nagyag in Hungary 5 Millions do.	555,555	
Taking this produce for 264 years make nearly - -		264,000,000
The Silver mines in Norway according to Busching produce 350000 dollars at 6 p. L. Sterling = 58333 L. × 264 years = =		15,399,912
The Gold and Silver mines of the Harz Mountains in Lower Germany. The Hanoverian part produces from 6 to 800,000 Dollars, I take the Average of 700,000 — at 6 p. L Sterling = 116666 L × 264 year		30,799,824
The part belonging to Brunswick by far more productive, I estimate at the same - - -		30,799,824
The Silver mines in Siberia, Poland, Prussia, Saxony and Alsace in France. -- The gold dust from the River Gambia and Senegal in Africa, and lastly the great quantities of bullion which comes from America through Jamaica and other places I value at 1 Million Sterling p. Ann. and during the 264 years -	264,000,000	
		340,999,560
Total Increase		L, 2,381,839.248

Without entering into a tedious detail respecting the genuine fineness of the gold and silver found in the different mines of Europe and America, I shall confine my estimate to the Sterling value. —

We will suppose that these two milliards, three hundred seventy six millions, one hundred thirty nine thousands, two hundred and forty eight pounds value in gold and silver have been added during these 264 years to the quantity already existing in Europe. If this astonishing bulk had all remained in Europe, and the whole converted into cash or bullion for trade, the real value of land and corn might now be double or triple the present value, and all other necessaries of life and merchandize in proportion - without any idea of things being dearer, or labor becoming more expensive than 264 years ago *) when the price of labor was 3*d.* per day, which makes above 9*d.* of the present value of gold and silver. It is as improperly speaking, to say that Provisions and labor get so much dearer, — as the common phrase of the sun's rising and setting. The former phrase should be, gold and silver is become so much cheaper, as the quantity has increased, — and the latter expression should properly be, „the Earth rises and sets towards the Sun as," the center planet in the Universe. It would not be so much the rise in price of

*) See Table of provisions in Part 2*nd.*

provisions and labor, as the depreciation of the value of specie, owing to its increase in quantity.

The fact is, gold and silver and most other metals have always increased so much, as to over balance the consumption in wear and tare: this arises from the solidity of their nature. But from the time of Adam, the general productions of nature and art (viz) vegetables, cattle, provisions, clothing and most movable property, have been cultivated and fabricated, little more, or less than the constant use, consumption, increase and decrease of population required. — Whereas these two purest metals used as the general representatives of all property, have remained in a constant increase beyond their annual wear and tare or comsumption; for altho a great quantity is constantly worked up in a thousand shapes for utensils, in jewelery wares etc. etc. still they are not consumed. — After having been used, worn and changed in various fashions, in different times and ages, they come again to the crucible to be new modelled, and lose very little in their intrinsic value; and thus these metals enter on a new career. —

The many adventures of a Guinea during a century is wonderful, especially if it passes through the hands of a clipping Israelite which may cause a consumption of a few grains, or perhaps 1 or 2 Shillings; the loss falls chiefly on Govemment when the old coin is called in, and new issued. But still the gold and silver thus acquired remains in Europe. It is the same with all embroideries of gold and silver

as also with gilded and plated metals: for if we consider how many things may be embroidered, gilt and plated, with one ounce of gold or silver, we cannot suppose any great loss to happen from wear and tare; because the greatest part of embroidery, tresses. utensils etc. etc. is burnt out again. As to the quantities which gold beaters and gilders consume, they are hardly worth being brought into computation, yet for this loss we are willing to suppose or to allow one pound; and even two pounds, for the actual loss in all tresses, embroideries, plated things - in the value of every thousand pounds. The only material diminnution that can happen, is by fire, by sea, and by what may remain burried in the earth at the time of Revolutions, public troubles or other accidents, — the whole of which I would not estimate above 2 pounds loss in L. 100; for there is not one vessel, nor one house in a thousand entirely lost or consumed of which the principal valuables in gold und silver are not saved; nor one pound worth of gold and silver-silver in a thousand, that remains buried in the earth for a whole century. However to make a most ample allowance for all consumption, real loss and accidents, I have granted the above two pounds in every hundred on the whole bulk. Formerly, but but chiefly from 1690 to 1760 great quantities of silver were exported to the East Indies, where the proportion between gold and silver was about 12 to 1 — to the European proportion of 15 to 1. — The quantities supposed to have been exported during the hundred years

are variously given by mercantile writers as Mr. Davenant, Magens, Sir Geor Downing, Sir Iosiah Child and others; thus I have taken nearly the middle proportion of their differences

viz from England - -	L. 600,000
France - - -	500,000
Holland - - - -	300,000
Denmark, Sweden and Prussia	300,000
Annual Exports	L. 1,700,000

during one century, which will make the whole quantity - - - L. 170,000,000 and among which no doubt some gold has been included, or else the proportion between gold and silver in the East Indies would have been brought almost below the European standard; or this, must have risen to the level of that in India and China. For the exportation before and since this estimate of 1690 to 1760 I will suppose the third of the above L. 1,700,000-Sterling — because since the French revolution, no exports of this metal have taken place from France, Holland, and hardly from Prussia. Thus L. 566,666 — (chiefly from England) from 1760 to 1799. are nineteen years; and 145 gears from the discovery of America to 1690 — also one third of the above annual exports.

Recapitulation.

Exports for	145	years	- - L.	82,166,570
do. during	100	years	- - -	170,000,000
do. during	19	years	- - -	8,766,654
	264	years		

Consumption and loss by gold beaters etc.

	1 pr.	Mille	2,375,938
Do. by Tresses, Embroideries etc.	2	do.	4,750.876
Do. by Fire, Seas and Earth	2	pCt.	47,518,778
Total Loss, Consumption and			L. 315,578,816

Exportion on the whole bulk imported; and deducting it from L. 2,381,839,248. we shall find a net increase of these metals since the discovery of America, of Two Miliards, Sixty Six Millions, Two hundred and Sixty thousand, four hundred and thirty two pounds Sterling.

The wonderful influence such an amazing sum must operate, not only on the prices of provisions, but also on the Politics of Europe, I hope to illustrate by a particular Essay on that subject in my second part of this work; and where I hope to convince the Public by the recapitulation and result of all my arguments, *That the Prosperity of England*— is prosperity beyond the doubts, of the most famed Sceptics.

Index.

Page
III Presentation to the Lords of the Board of Trade and Foreign Plantations.
V Dedication to the Gentlemen Volunteers of the British Realm in general, and to the Light Horse Volunteers of London and Westminster in particular.
XI Preface.
1 A short list of the Clamors of Ruin.
15 General arguments on Politics and Commerce.
42 Continuation of the same with four incontrovertible maxims in Trade.
43 Navigation Act and Carrying Trade of England.
50 A table of Mr. Paines curious ratio for the decline and fall of English finances, continued in order to prove the folly thereof.
52 Of the National Debt — conditions on which contracted.
58 The encrease of British wealth and commerce has always kept *double pace* with national expenditure.
60 A Simile, between the Affairs of Great Britain, and the House of Briton and Co.
64 General Stock and commercial Balance of do.
66 Of the Balance of Trade and Navigation of Great Britain ascertained as much as the Nature and Magnitude will admit.
70 National Debt and Credit of England conducive to national Prosperity by the Balance of Trade; subdivided into Political Balance of Europe and
76 Balance of English Trade in continuation etc.
83 Average of British Exports from 1785 to 1790.
85 Mr. Morgan's arguments „That every new tax is a diminution of the general mass of wealth" refuted.

Page
86 Do. his complaint respecting the Decrease of customs on the Encrease of exports fully explained, and done away.
88 Of the National Debt in continuation.
89 Of Bank Debts.
90 A brief account of the principal Banks in Europe, and the nature of the Bank of England compared.
101 Britons ought to co-operate with some of their property in order to preserve *their all.*
105 Bank of England on the brink of ruin but for Mr. Pitts manly and spirited interposition.
106 Any Trading Company or Tradesman may be made a bankrupt — and be far above insolvency.
108 Hint respecting a Commercial Deposit Bank, for the encrease of the circulating medium, with every possible increase of the Commerce of Great Britain.
109 Illustration of Public Credit — containing
110 The causes on which it is was founded;
112 Do. — by which it was raised and supported;
113 Do. — the most obvious, — of the dilemma of merchants in 1794.
118 Bank Credit and Paper Credit — are the foundation of Public Credit.
120 The circulating medium, ought to bear a full proportion to all the property it represents.
122 Every private and public Bank, may issue notes to three times the Capital, and above.
127 Hambro' owes its Security and Public Credit — much more to its peculiar geographical situation than to any independency of constitution.
128 The Public Credit of the British Nation, ought to pay the necessary tribute for the protection it enjoys.
129 The Circulating Medium, or direct and indirect ways and means of representing and of exchanging property.

Page
131 It would ruinous to Trade for to pay every thing with Specie.
132 Sound mercantile policy forbids issuing too much Specie.
133 Hints for a plan to pay off the National Debt by a still speedier gradation than by the sinking fund. The circulating Specie of Great Britain about 20 Millions, and the amount of Trade of late years near 50 Millions, — which absolutely requires some indirect circulating medium, to prevent all embarassments of the Bank, Merchants and Bankers.
136 True Patriotism, the foundation of Public Spirit! No translation of these two words in any language; nor its proper sense perfectly understood in any other country, but Great Britain.
137 The views and purposes of British and French national guards — in contrast!
139 High and Low Interests and Exchanges; — to be always ascertained by the rules of Use and Consumption, or by Scarity and Plenty.
140 Difference between the rates of Exchanges and Discounts, altho' analogous in their meaning.
141 A most serious concern to every State, to watch and ascertain the encrease of Gold and Silver in Europe, — in order to ascertain also the true value of money and interest by the average price of corn and provisions.
143 Government to pay interests by an equivalent to the intrinsic value of the capital.
144 The State of Hambro, and some other petty States of Germany, only pay 2, 2½ and 3 per Cent interest, though discounts sometimes rise 10 and 12 per Cent higher.
154 Estimation of the loss to Government occasioned by the depression of the Exchanges, during 1795 - 96.
156 Do. to the Commerce of the Country.

Page
157 Estimate Calculation of the British Navigation, Carrying Trade etc. as reported in the House of Lords 1796.
158 Number of Vefsels and Tons of Burthen.
161 Estimate of British Commerce, with 10 Items not valued in the Balance of Trade.
165 Do. of Foreign Trade and Number of Foreign Vefsels that enter the British Ports, with 6 Items do. do. do.
169 Average estimate of the Quantity of Gold and Silver imported to Europe since the discovery of America.
171 A table of Gold and Silver imported by Spain and Portugal from America during 1748 and 1753.
173 Reduction of those quantities into Sterling value.
174 Do. of the Gold and Silver of Europe, Asia and Africa.
178 Of the Quantities of Gold and Silver, exported from Europe during 264 years.
179 Recapitulation of do. — together with an Evaluation of the real lofs and consumption of Gold and Silver; and the net increase of those metals since discovery of America.